WORLD POLITICS

A Quarterly Journal of International Relations

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Volume 47, Number 3 April 1995

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WORLD POLITICS is indexed by *ABC POL SCI, Book Review Index, Combined Retrospective Index Sets (CRIS), Combined Retrospective Index to Book Reviews in Scholarly Journals, 1886–1974 (RSJ), PAIS Bulletin Social Science Index,* and *Periodica Islamica;* it is abstracted and indexed in *United States Political Science Documents, International Bibliography of Periodical Literature (IBZ), International Bibliography of Book Reviews (IBR),* and *Current Military and Political Literature.* Abstracts of articles also appear in *Book Review Digest, Historical Abstracts, International Development Abstracts, International Political Science Abstracts, Political Science Abstracts,* and *Social Sciences Abstracts.*

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WORLD POLITICS (ISSN 0043-8871). Published quarterly by The Johns Hopkins University Press. Vol. 47, No. 3, April 1995. Second class postage paid at Balitmore, MD, and additional mailing offices. POSTMASTER: Send address changes to WORLD POLITICS, The Johns Hopkins University Press, Journals Publishing Division, 2715 N. Charles Street, Baltimore, MD 21218-4319. Printed in the United States of America by Princeton Academic Press, Inc.

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WORLD POLITICS

Vol. 47 • April 1995 • No. 3

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ABSTRACTS

POLITICS BEYOND THE STATE

ENVIRONMENTAL ACTIVISM AND WORLD CIVIC POLITICS

By PAUL WAPNER

Nongovernmental organizations (NGOs) both lobby states and work within and across societies to advance their interests. These latter efforts are generally ignored by students of world politics because they do not directly involve governments. A study of transnational environmental activist groups (TEAGs) such as Greenpeace, Friends of the Earth, and World Wildlife Fund demonstrates that NGO societal efforts indeed shape widespread behavior throughout the world. TEAGs work through transnational social, economic, and cultural networks to shift standards of good conduct, change corporate practices, and empower local communities. This type of practice involves "world civic politics." That is, TEAGs influence widespread behavior by politicizing global civil society—that slice of collective life which exists above the individual and below the state yet across national boundaries. This article examines the activity of world civic politics as practiced by environmental activists and evaluates its relevance for the study of NGOs and world politics in general.

INSTITUTIONS, ELITES, AND TECHNOLOGICAL CHANGE IN FRANCE AND GERMANY

By J. NICHOLAS ZIEGLER

Most comparative studies of public strategies for competitiveness focus on the links between public agencies and industrial sectors. This paper argues that the professions—or knowledge-bearing elites—that animate these organizational links are equally significant. For public policies to promote technological advance, the visions and self-images of knowledge-bearing elites are particularly important. By examining administrative and technical elites in France and Germany in the 1980s, the paper identifies characteristics that enable these elites to implement policy in some cases but not in others. France's "state-created" elites were well positioned to initiate and implement large technology projects, such as digitizing the telecommunications network. By contrast, Germany's state-recognized elites were better positioned to facilitate framework-oriented programs aimed at the diffusion of new technologies throughout industry. The linkages between administrative and technical elites also explain why French policymakers had difficulty adapting policy to changing circumstances over time, whereas German policymakers managed in many cases to learn more from previous policy experiences and to adapt subsequent initiatives accordingly.

ASSESSING COMPETING DEFENSE POSTURES

THE STRATEGIC IMPLICATIONS OF "FLEXIBLE RESPONSE"

By FRANK C. ZAGARE and D. MARC KILGOUR

A two-stage Asymmetric Escalation Game is developed to explore the connection between stage credibility and deterrence stability. There are two players in the model: Challenger and Defender. Challenger may initiate or not. If Challenger initiates, Defender may do nothing, respond in kind, or escalate; Challenger may then escalate or counterescalate, and so on. Each player is uncertain about the other's intentions at the final stage of the game. *Escalation* represents a choice that both players believe is qualitatively different from other available responses. Thus the model applies to any situation in which Defender may respond by crossing a threshold, thereby inducing a (psychologically) distinct level of conflict.

The Perfect Bayesian Equilibria are identified and interpreted, and inferences are drawn about the viability of limited war options and various competing flexible response deployment policies. In general, the model reveals that substrategic deployments add little to overall deterrence stability. Under certain relatively rare conditions, a policy called *no-first-use* in the super-

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power context offers Defender advantages that might conceivably warrant the deployment stance associated with it. But a *warfighting* deployment never benefits Defender. Within the confines of the model, therefore, limited or substrategic wars are possible but unlikely.

THE ENIGMA OF NATIONALISM

By YAEL TAMIR

This article reviews three recently published books: Benedict Anderson's *Imagined Communities*, Liah Greenfeld's *Nationalism: Five Roads to Modernity*, and Anthony D. Smith's *National Identity*. It examines these books in search of clues that explain the enigma of nationalism: What are the sources of the mysterious vitality of nationalism? Why does nationalism provide the most compelling identity myth in the modern world? Why can it motivate individuals more than any other political force? This inquiry reveals an irony attendant upon the study of nationalism: the more we learn about the emergence of nationalism, the less credible is the nationalist pretense that nations are natural, continuous communities of fate. Yet it is precisely this image of nationalism that nurtures the unique power of nationalism. The power of nationalism thus seems to be embedded in self-deception.

THE STATE OF THE (EUROPEAN) UNION

FROM THE SINGLE MARKET TO MAASTRICHT, FROM SINGULAR EVENTS TO GENERAL THEORIES

By JEFFREY J. ANDERSON

This review article examines four recent volumes on the European Union, each of which takes as its substantive and theoretical starting point the relaunching of the European Community in the mid-1980s around the single market initiative. Taken together, they provide a comprehensive account of the momentous events leading up to the Maastricht summit. They also present an accurate reflection of the current state of the subfield. Their basic research agenda, a continuation of traditional approaches in Community studies, revolves around the "big bangs" of integration and the conventional models of neofunctionalism and intergovernmentalism. This scholarly continuity generates unwelcome consequences for the selection of research puzzles and for the robustness and reach of the findings. As a remedy, several strategies—some methodological, others theoretical—are outlined for generating new insights into the growing complexity of the European Union.

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POLITICS BEYOND THE STATE
Environmental Activism and World Civic Politics

By PAUL WAPNER*

INTEREST in transnational activist groups such as Greenpeace, European Nuclear Disarmament (END), and Amnesty International has been surging. Much of this new attention on the part of students of international relations is directed at showing that transnational activists make a difference in world affairs, that they shape conditions which influence how their particular cause is addressed. Recent scholarship demonstrates, for example, that Amnesty International and Human Rights Watch have changed state human rights practices in particular countries.[1] Other studies have shown that environmental groups have influenced negotiations over environmental protection of the oceans, the ozone layer, and Antarctica and that they have helped enforce national compliance with international mandates.[2] Still others have shown that peace groups helped shape nuclear policy regarding deployments in Europe during the cold war and influenced Soviet perceptions in a way that allowed for eventual superpower accommo-

* The author wishes to thank the John D. and Catherine T. MacArthur Foundation and the School of International Service at the American University for generous financial support for this project. The author also wishes to thank Daniel Deudney, Richard Falk, Nicholas Onuf, Leslie Thiele, and Michael Walzer for helpful comments on earlier drafts.

[1] See, for example, David Forsythe, *Human Rights and World Politics*, 2d ed. (Lincoln: University of Nebraska Press, 1989); Kathryn Sikkink, "Human Rights Issue-Networks in Latin America," *International Organization* 47 (Summer 1993); Robert Goldman, "International Humanitarian Law: Americas Watch's Experience in Monitoring Internal Armed Conflict," *The American University Journal of International Law and Policy* 9 (Fall 1993).

[2] See, for example, Kevin Stairs and Peter Taylor, "Non-Governmental Organizations and the Legal Protection of the Oceans: A Case Study," and Barbara Bramble and Gareth Porter, "Non-Governmental Organizations and the Making of U.S. International Environmental Policy," both in Andrew Hurrell and Benedict Kingsbury, eds., *The International Politics of the Environment* (Oxford: Clarendon Press, 1992); Lee Kimble, "The Role of Non-Governmental Organizations in Antarctic Affairs," in Christopher Joyner and Sudhir Chopra, eds., *The Antarctica Legal Regime* (Dordrecht, Netherlands: Martinus Nijhoff, 1988); Gareth Porter and Janet Brown, *Global Environmental Politics* (Boulder, Colo.: Westview Press, 1991); P. J. Sands, "The Role of Non-Governmental Organizations in Enforcing International Environmental Law," in W. E. Butler, ed., *Control over Compliance with International Law* (Dordrecht, Netherlands: Martinus Nijhoff, 1991).

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dation.[3] This work is important, especially insofar as it establishes the increasing influence of transnational nongovernmental organizations (NGOs) on states. Nonetheless, for all its insight, it misses a different but related dimension of activist work—the attempt by activists to shape public affairs by working within and across societies themselves.

Recent studies neglect the societal dimension of activists' efforts in part because they subscribe to a narrow understanding of politics. They see politics as a practice associated solely with government and thus understand activist efforts exclusively in terms of their influence upon government. Seen from this perspective, transnational activists are solely global pressure groups seeking to change states' policies or create conditions in the international system that enhance or diminish interstate cooperation. Other efforts directed toward societies at large are ignored or devalued because they are not considered to be genuinely political in character.

Such a narrow view of politics in turn limits research because it suggests that the conception and meaning of transnational activist groups is fixed and that scholarship therefore need only measure activist influence on states. This article asserts, by contrast, that the meaning of activist groups in a global context is not settled and will remain problematic as long as the strictly societal dimension of their work is left out of the analysis. Activist efforts within and across societies are a proper object of study and only by including them in transnational activist research can one render an accurate understanding of transnational activist groups and, by extension, of world politics.

This article focuses on activist society-oriented activities and demonstrates that activist organizations are not simply transnational pressure groups, but rather are political actors in their own right. The main argument is that the best way to think about transnational activist societal efforts is through the concept of "world civic politics." When activists work to change conditions without directly pressuring states, their activities take place in the civil dimension of world collective life or what is sometimes called global civil society.[4] Civil society is that arena of social engagement which exists above the individual yet

[3] See, for example, Thomas Rochon, *Mobilizing for Peace: The Antinuclear Movements in Western Europe* (Princeton: Princeton University Press, 1988); David Cortright, *Peace Works: The Citizen's Role in Ending the Cold War* (Boulder, Colo.: Westview Press, 1993).

[4] On the concept of "global civil society," see Richard Falk, *Explorations at the Edge of Time* (Philadelphia: Temple University Press, 1992); and Ronnie Lipschultz, "Restructuring World Politics: The Emergence of Global Civil Society," *Millennium* 21 (Winter 1992).

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below the state.[5] It is a complex network of economic, social, and cultural practices based on friendship, family, the market, and voluntary affiliation.[6] Although the concept arose in the analysis of domestic societies, it is beginning to make sense on a global level. The interpenetration of markets, the intermeshing of symbolic meaning systems, and the proliferation of transnational collective endeavors signal the formation of a thin, but nevertheless present, public sphere where private individuals and groups interact for common purposes. Global civil society as such is that slice of associational life which exists above the individual and below the state, but also across national boundaries. When transnational activists direct their efforts beyond the state, they are politicizing global civil society.

Like its domestic counterpart, global civil society consists of structures that define and shape public affairs. For example, market forces shape the way vast numbers of people in various countries act with reference to issues of public concern. Additionally, voluntary associations affiliated with trade, cultural expression, religion, science, and production have widespread influence. In targeting these processes and institutions, activists use the realms of transnational social, cultural, and economic life to influence world public affairs.

One can appreciate the idea of world civic politics by drawing an analogy between activist efforts at the domestic and international levels. According to Melucci, Habermas, Offe, and others, the host of contemporary domestic peace, human rights, women's, and human potential movements in the developed world both lobby their respective governments and work through their societies to effect change. In this latter regard, movements identify and manipulate nonstate levers of power, institutions, and modes of action to alter the dynamics of domestic collective life.[7] The French antinuclear movement, the German

[5] There is no single, static definition of civil society. The term has a long and continually evolving, if not contestable, conceptual history. For an appreciation of the historical roots of the term and its usage in various contexts, see Jean Cohen and Andrew Arato, *Civil Society and Political Theory* (Cambridge: MIT Press, 1992); John Keane, "Despotism and Democracy: The Origins and Development of the Distinction between Civil Society and the State, 1750–1850," in Keane, ed., *Civil Society and the State: New European Perspectives* (London: Verso, 1988).

[6] I follow a Hegelian understanding of civil society, which includes the economy within its domain. Later formulations, most notably those offered by Gramsci and Parsons, introduce a three-part model that differentiates civil society from both the state and the economy. See Talcott Parsons, *The System of Modern Societies* (Englewood Cliffs, N.J.: Prentice-Hall, 1971); Antonio Gramsci, *Prison Notebooks* (New York: International Publishers, 1971). For an extensive argument to exclude the economy from civil society, see Cohen and Arato (fn. 5).

[7] Alberto Melucci, "The Symbolic Challenge of Contemporary Movements," *Social Research* 52 (Winter 1985); Jurgen Habermas, "Introduction," in Habermas, ed., *Observations of "The Spiritual*

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Green Party in its early years, and the feminist movement in the United Kingdom represent significant attempts to politicize various arenas and thereby bring about change.[8] Likewise, present-day grassroots organizations—from new populism in the United States to Christian-based communities in Latin America and alternative development organizations in India—are both targeting their governments and nurturing modes of political expression outside state control.[9] Finally, the early years of Solidarity in Poland and Charter 77 in Czechoslovakia illustrate the multifaceted character of activist politics. Recognizing the limits of influencing their respective states, Solidarity and Charter 77 created and utilized horizontal societal associations involving churches, savings associations, literary ventures, and so forth to bring about widespread change. As with the other organizations, this does not mean that they ignored the state but rather that they made a strategic decision to explore the political potential of unofficial realms of collective action.[10] In each instance groups target government officials when it seems likely to be efficacious. If this approach fails or proves too dangerous, however, they seek other means of affecting widespread conditions and practices.[11] Analytically, these other means are found in civil society.

Moved up a political notch, this form of politics helps explain the efforts of transnational activist groups. Amnesty International, Friends of the Earth, Oxfam, and Greenpeace target governments and try to change state behavior to further their aims. When this route fails or

Situation of the Age," trans. Andrew Buchwalter (Cambridge: MIT Press, 1985); idem, "Social Movements," *Telos*, no. 49 (Fall 1981); Claus Offe, "Challenging the Boundaries of Institutional Politics: Social Movements since the 1960s," in Charles Maier, ed., *Changing Boundaries of the Political* (Cambridge: Cambridge University Press, 1987). See generally Russell Dalton and Manfred Kuechler, eds., *Challenging the Political Order: New Social and Political Movements in Western Democracies* (New York: Oxford University Press, 1990).

[8] Alain Touraine, *Anti-Nuclear Protest* (Cambridge: Cambridge University Press, 1983); Fritjof Capra and Charlene Spretnak, *Green Politics* (London: Hutchinson, 1984); Joyce Gelb, "Feminism and Political Action," in Dalton and Kuechler (fn. 7).

[9] Harry Boyte, "The Pragmatic Ends of Popular Politics," in Craig Calhoun, ed., *Habermas and the Public Sphere* (Cambridge: MIT Press, 1992); Richard Shaull, *Heralds of a New Reformation: The Poor of South and North America* (New York: Orbis Books, 1984); Anil Agarwal, "Ecological Destruction and the Emerging Patterns of Poverty and People's Protests in Rural India," *Social Action* 35 (January–March 1985). See generally Alan Durning, "Action at the Grassroots: Fighting Poverty and Environmental Decline," *Worldwatch Paper 88* (Washington, D.C.: Worldwatch Institute, 1989).

[10] In these cases, groups could not politicize existing civil societies but actually had to create them. See Adam Michnik, *Letters from Prison and Other Essays*, trans. Maya Latynski (Berkeley: University of California Press, 1985); Václav Haval, *Open Letters: Selected Writings, 1965–1990*, ed. Paul Wilson (New York: Alfred Knopf, 1991).

[11] The danger of engaging the state in places like Poland provided the impetus to create horizontal associations. This was the central idea behind the Polish "self-limiting revolution," which recognized the power of the state with its Soviet support and hence the improbability of toppling it. See Michnik (fn. 10).

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proves less efficacious, they work through transnational economic, social, and cultural networks to achieve their ends. The emphasis on world civic politics stresses that while these latter efforts may not translate easily into state action, they should not be viewed as simply matters of cultural or social interest. Rather, they involve identifying and manipulating instruments of power for shaping collective life. Unfortunately, the conventional wisdom has taken them to be politically irrelevant.

In the following I analyze the character of world civic politics by focusing on one relatively new sector of this activity, transnational environmental activist groups (TEAGs). As environmental dangers have become part of the public consciousness and a matter of scholarly concern in recent years, much attention has been directed toward the transboundary and global dimensions of environmental degradation. Ozone depletion, global warming, and species extinction, for instance, have consequences that cross state boundaries and in the extreme threaten to change the organic infrastructure of life on earth. Responding in part to increased knowledge about these problems, transnational activist groups have emerged whose members are dedicated to "saving the planet." World Wildlife Fund, Friends of the Earth, Greenpeace, Conservation International, and Earth Island Institute are voluntary associations organized across state boundaries that work toward environmental protection at the global level. TEAGs have grown tremendously since the 1970s, with the budgets of the largest organizations greater than the amount spent by most countries on environmental issues and equal to, if not double, the annual expenditure of the United Nations Environment Program (UNEP).[12] Furthermore, membership in these groups has grown throughout the 1980s and 1990s to a point where millions of people are currently members of TEAGs.[13] This article demonstrates that, while TEAGs direct much effort toward state policies, their political activity does not stop there but extends into global civil society. In the following, I describe and analyze this type of activity and, in doing so, make explicit the dynamics and significance of world civic politics.

This article is divided into five sections. The first places my argument within the theoretical literature of international relations to highlight where my thesis is similar to and yet different from earlier efforts to underscore the role of nongovernmental organizations. The

[12] In 1992 the budgets of Greenpeace International and World Wildlife Fund were roughly $100 million and $200 million, respectively. UNEP's budget was roughly $75 million.

[13] In 1994 both Greenpeace and World Wildlife Fund each had over six million members.

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second is an empirical presentation of the way TEAGs specifically practice world civic politics. It describes how they foster an ecological sensibility and explicates the significance of this form of politics. The third section outlines how environmental groups pressure corporations and explores the political dimension of this strategy. The fourth section describes how TEAGs empower local communities and considers the ramifications for world politics. In each of these instances activists operate outside the province of state-to-state interaction yet engage in genuine political activity. The final section evaluates the concept of world civic politics from a theoretical perspective.

Two caveats are in order before proceeding. First, although I refer to transnational environmental activist groups in general, the focus here is on so-called northern organizations. These are groups that originated in advanced industrial societies and, although they have offices throughout both the developed and the developing worlds, maintain their central headquarters in the North. An implicit assumption is that an understanding of northern organizations will shed light upon transnational activist groups in general; this premise, however, may turn out to be false.[14] Second, I do not mean to suggest that transnational environmental organizations have a monopoly on ecological wisdom, are the harbingers of an ecologically sound future, or are beyond criticism. Like all other political actors, activists have their own problems. One must question, for example, their use and at times misuse of scientific evidence; their accountability (they are not elected officials); and the complex and often antagonistic relations among different transnational groups. I do not address these aspects of activist groups in detail here, although in a number of places I refer to particular instances when they become relevant. This is not to overlook the problems associated with transnational activist groups so much as to maintain a focus on the type of politics they employ to further their goals. In other words, one need not necessarily support the work of transnational environmental groups to understand how they operate in the international arena.

Beyond the Transnationalist Debate

Throughout the 1960s and early 1970s NGOs were the objects of tremendous scholarly attention. At the time the statecentric model of

[14] For a comprehensive study of environmental NGOs in the developing world, with important references to transnational ones, see Julie Fisher, *The Road from Rio: Sustainable Development and the Nongovernmental Movement in the Third World* (Westport, Conn.: Praeger, 1993).

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world politics was undergoing one of its many attacks and NGOs were enlisted in the assault. Many scholars argued that since nonstate actors were growing in number and power, students of world politics would be better served by paying attention to these as well as, if not instead of, nation-states. For example, a substantial number of multinational corporations (MNCs) had assets in excess of the gross national product (GNP) of certain states and had projects in numerous countries,[15] leading many scholars to argue that MNCs were curtailing state action and represented an independent variable for explaining world events.[16] Likewise, advances in communications technology opened the way for nonstate actors such as revolutionary groups, the Catholic church, and political parties to play a greater role in world politics. Innovations in overseas travel, international wire services, computer networks, and telecommunications were enabling these actors to influence the ideas, values, and political persuasions of people around the globe. Scholars argued that they were having a significant impact on questions of peace, international morality, and the salience of political issues.[17] In short, the surge in transnational activity suggested that the state might not be the most important variable for explaining world events.[18]

The debate over the relative importance of the state in world affairs had an impact in the field insofar as it convinced realists—those who most explicitly privileged the state in the 1960s and 1970s—that NGOs matter.[19] To be sure, this took some effort. Defenders of the strictly statecentric model argued, for example, that the proliferation of NGOs

[15] In 1967, for example, General Motors had production facilities in 24 countries and total sales of $20 billion. This total was greater than the GNP of all but 14 of the 124 members of the UN at the time. Also in 1967 Standard Oil of New Jersey had facilities in 45 countries and total sales of $13.3 billion. See Gerald Sumida, "Transnational Movements and Economic Structures," in Cyril Black and Richard Falk, eds., *The Future of the International Legal Order* (Princeton: Princeton University Press, 1972), 4:553.

[16] See, for example, George Modelski, "The Corporation in World Society," *Year Book of World Affairs 1968* (New York: Praeger, 1968); Werner Feld, *Nongovernmental Forces and World Politics: A Study of Business, Labor and Political Groups* (New York: Praeger, 1972); Abdul A. Said and Luiz Simmons, eds., *The New Sovereigns: Multinational Corporations as World Powers* (Englewood Cliffs, N.J.: Prentice-Hall, 1975).

[17] Robert Angell, *Peace on the March: Transnational Participation* (New York: Van Nostrand Reinhold, 1969); Robert Keohane and Joseph Nye, eds., *Transnational Relations and World Politics* (Cambridge: Harvard University Press, 1972), especially essays by J. Bowyer Bell, Ivan Vallier, and Donald Warwock; Seyom Brown, *New Forces in World Politics* (Washington, D.C.: Brookings Institution, 1974); Richard Mansbach, Yale Ferguson, and Donald Lampert, *The Web of World Politics: Nonstate Actors in the Global System* (Englewood Cliffs, N.J.: Prentice-Hall, 1976).

[18] For discussions of the world political system with special emphasis on transnational activity, see Johan Galtung, *The True Worlds: A Transnational Perspective* (New York: Free Press, 1980).

[19] For an overview of the debate, see Ray Maghroori and Bennett Ramberg, eds., *Globalism versus Realism: International Relations' Third Debate* (Boulder, Colo.: Westview Press, 1982); and Kalevi J. Holsti, *The Dividing Discipline: Hegemony and Diversity in International Theory* (Boston: Allen and Unwin, 1985).

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was a function of hegemonic stability and thus derivative of interstate behavior.[20] Others challenged the contention that transnationalism was increasing interdependence between states and hence restricting states' ability to control events, and argued instead that the amount of interdependence had actually been on the decrease.[21] Furthermore, many claimed that despite the rise in the number of nonstate actors, NGOs were not a factor in the most consequential world events at the time and that, indeed, compared with nation-states, nonstate actors were of only marginal political importance.[22] Notwithstanding these arguments, by the 1980s NGOs had made their presence felt and scholars began to take them seriously as a legitimate object of study.

The debate about NGOs, while important, suffered premature closure, because scholars ultimately saw NGO significance in terms of state power. That is, NGOs assumed prominence in subsequent studies only to the extent that they affected state policies; their influence on world affairs apart from this role was neglected.[23] One of the reasons for this is that the debate itself was framed in a way that could have had only this result. Scholars saw the controversy as a "unit of analysis" problem. They argued over which variable was the proper object of research in world politics. In order to understand world affairs, should one study, for instance, MNCs, the state, revolutionary groups, or transnational political parties? With the problem formulated in this way, transnationalists were associated with a "sovereignty at bay" model of world politics, which claimed that NGOs were eclipsing states as the key independent actors in world affairs.[24] Unfortunately, this set up the debate as an either/or proposition: either the state was the primary mover and shaker of world affairs or it was not. As a result, critics had only to demonstrate the superior causal agency of the state to dismiss or greatly deflate the transnationalist challenge—which is exactly what occurred.[25]

[20] Robert Gilpin, "The Politics of Transnational Economic Relations," in Keohane and Nye (fn. 17).

[21] Kenneth N. Waltz, *Theory of International Politics* (New York: Random House, 1979).

[22] Michael Sullivan, "Transnationalism, Power Politics and the Realities of the Present System," in Maghroori and Ramberg (fn. 19).

[23] See, for example, Werner Feld and Robert Jordan, *International Organizations: A Comparative Approach* (New York: Praeger, 1983); and Harold Jacobson, *Networks of Interdependence: International Organizations and the Global Political System* (New York: Alfred Knopf, 1984).

[24] The term "sovereignty at bay" comes from the title of the 1971 book by Raymond Vernon (New York: Basic Books). It is important to note that Vernon was not a proponent of the transnationalist challenge, even though the title of his book provided a catchphrase to encapsulate the host of arguments advanced by its proponents. See Raymond Vernon, "*Sovereignty at Bay*: Ten Years After," *International Organization* 35 (Summer 1981).

[25] In the words of John Ruggie, it could be said that the debate died down because scholars studied NGOs with an eye toward "institutional substitutability." If NGOs cannot substitute for the state as an

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More recently, a resurgence of interest in NGOs has led to efforts to conceptualize them outside the unit-of-analysis problem. Most of this work is part of a broader set of concerns loosely associated with the so-called third debate, the argument over the proper paradigm for studying international relations. The origins of the third debate lie in the questioning of the statecentric model of the 1970s and 1980s, but it has since expanded to include epistemological, ontological, and axiological concerns.[26] Interest in NGOs has emerged under the rubric of the third debate insofar as scholars have advanced a number of propositions regarding how, why, and to what extent NGOs matter in world affairs based on sophisticated understandings of power, knowledge, and agency. Notable here is Rosenau's notion of sovereignty-free actors and the influence of microprocesses on macrophenomena,[27] Walker's insights concerning the critical component of social movements,[28] and Falk's understanding of the antistatist logic of activist groups.[29] My work takes these propositions as a point of departure but seeks to situate them within a broader frame of reference. In my view the analytic significance of these and similar efforts can be advanced by encompassing them within a larger investigation into the nature of world politics.

Throughout the earlier transnationalist debate, scholars never questioned the essential quality of world political activity. Having lost part of the argument, after being forced to acknowledge the centrality of the state, they failed to ask what constitutes relevant political behavior, what power is, and which dimensions of collective life are most significant for bringing about changes in human practices. Students of international relations fell back on the traditional notion that genuine political activity is the interaction of nation-states, that power consists in the means available to states, and that the state system is *the* arena for affecting human behavior throughout the world. Thus, NGOs became important, but only because they influenced state behavior. They

institutional entity, they become politically irrelevant. Ruggie argues that such a mind-set bleaches out much of the phenomena responsible for long-term political change. See John Gerard Ruggie, "Territoriality and Beyond: Problematizing Modernity in International Relations," *International Organization* 47 (Winter 1993), 143.

[26] See K. J. Holsti, "Mirror, Mirror on the Wall, Which Are the Fairest Theories of All," *International Studies Quarterly* 37 (September 1987); and Yosef Lapid, "The Third Debate: On the Prospects of International Theory in a Post-Positivist Era," *International Studies Quarterly* 33 (September 1989). For one of the more provocative books to emerge from reflection on the third debate, see R. B. J. Walker, *Inside/Outside: International Relations as Political Theory* (Cambridge: Cambridge University Press, 1993).

[27] James Rosenau, *Turbulence in World Politics* (Princeton: Princeton University Press, 1990).

[28] R. B. J. Walker, *One World/Many Worlds* (Boulder, Colo.: Lynne Rienner, 1988).

[29] Falk (fn. 4).

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did not affect world affairs in their own right.[30] Current research can fall into this same trap if not understood to be part of a more fundamental type of examination.[31]

This article studies NGOs with a particular focus on the meaning of world politics. It eschews an understanding in which the multifarious activities of actors gain relevance only insofar as they affect states, and concentrates instead on identifying NGO activity that orders, directs, and manages widespread behavior throughout the world. One can get a sense of this through a study of transnational environmental activist groups. In doing so, however, one must focus on the political action per se of these organizations and trace its world significance and interpret its meaning independent of the argument about relative causal weight. That is, one must be more interested in understanding the nature of certain types of political action than in ranking different agents that engage in politics. By doing so, scholars will be able to recognize that NGOs are significant in world affairs not only because they influence states but also because they affect the behavior of larger collectivities throughout the world. They do so by manipulating governing structures of global civil society.

Disseminating an Ecological Sensibility

Few images capture the environmental age as well as the sight of Greenpeace activists positioning themselves between harpoons and whales in an effort to stop the slaughter of endangered sea mammals. Since 1972, with the formal organization of Greenpeace into a transnational environmental activist group, Greenpeace has emblazoned a host of such images onto the minds of people around the world. Greenpeace activists have climbed aboard whaling ships, parachuted from the top of smokestacks, plugged up industrial discharge pipes, and floated a hot air balloon into a nuclear test site. These direct actions are media stunts, exciting images orchestrated to convey a critical perspective toward environmental issues. Numerous other organizations, including the Sea Shepherds Conservation Society, Earth-First! and Rainforest Action Network, engage in similar efforts. The dramatic aspect attracts journalists and television crews to specific ac-

[30] The very term "nongovernmental organization" betrays a statecentric understanding of politics.

[31] This is not to imply that studies of the influence of NGOs on states are unnecessary. There is still much to understand regarding the extent to which NGOs influence governments and the quality of their lobbying efforts. A focus on world civic politics, then, is not meant to supplant a statecentric notion of international politics so much as to augment it.

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tions and makes it possible for the groups themselves to distribute their own media presentations. Greenpeace, for example, has its own media facilities; within hours it can provide photographs to newspapers and circulate scripted video news spots to television stations in eighty-eight countries.[32] The overall intent is to use international mass communications to expose antiecological practices and thereby inspire audiences to change their views and behavior vis-à-vis the environment.[33]

Direct action is based on two strategies. The first is simply to bring what are often hidden instances of environmental abuse to the attention of a wide audience: harpooners kill whales on the high seas; researchers abuse Antarctica; significant species extinction takes place in the heart of the rain forest; and nuclear weapons are tested in the most deserted areas of the planet. Through television, radio, newspapers, and magazines transnational activist groups bring these hidden spots of the globe into people's everyday lives, thus enabling vast numbers of people to "bear witness" to environmental abuse.[34] Second, TEAGs engage in dangerous and dramatic actions that underline how serious they consider certain environmental threats to be. That activists take personal risks to draw attention to environmental issues highlights their indignation and the degree of their commitment to protecting the planet. Taken together, these two strategies aim to change the way vast numbers of people see the world—by dislodging traditional understandings of environmental degradation and substituting new interpretive frames. This was put particularly well by Robert Hunter, a founding member of Greenpeace, who participated in the group's early antiwhaling expeditions. For Hunter, the purpose of the effort was to overturn fundamental images about whaling: where the predominant view was of brave men battling vicious and numerous monsters of the deep, Greenpeace documented something different. As Hunter put it:

[32] Michael Harwood, "Daredevils for the Environment," *New York Times Magazine*, October 2, 1988, p. 7. Also confirmed in private interviews at the time. See also Clive Davidson, "How Greenpeace Squeezed onto Satellite Link," *New Scientist* 135 (July 1992), 20.

[33] For discussions on the media-directed dimension of ecological political action, see Rik Scarce, *Eco-Warriors: Understanding the Radical Environmental Movement* (Chicago: Noble Press, 1990); David Day, *The Environmental Wars* (New York: Ballantine Books, 1989); Robert Hunter, *Warriors of the Rainbow: A Chronicle of the Greenpeace Movement* (New York: Holt, Rinehart and Winston, 1979); Walter Truett Anderson, *Reality Isn't What It Used to Be* (San Francisco: Harper and Row, 1990), chap. 7.

[34] Bearing witness is a type of political action that originated with the Quakers. It requires that one who has observed a morally objectionable act (in this case an ecologically destructive one) must either take action to prevent further injustice or stand by and attest to its occurrence; one may not turn away in ignorance. For bearing witness as used by Greenpeace, see Hunter (fn. 33); Michael Brown and John May, *The Greenpeace Story* (Ontario: Prentice-Hall Canada, 1989); Greenpeace, "Fifteen Years at the Front Lines," *Greenpeace Examiner* 11 (October–December 1986).

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> Soon, images would be going out into hundred of millions of minds around the world, a completely new set of basic images about whaling. Instead of small boats and giant whales, giant boats and small whales; instead of courage killing whales, courage saving whales; David had become Goliath, Goliath was now David; if the mythology of Moby Dick and Captain Ahab had dominated human consciousness about Leviathan for over a century, a whole new age was in the making.[35]

Raising awareness through media stunts is not primarily about changing governmental policies, although this may of course happen as state officials bear witness or are pressured by constituents to codify into law shifts in public opinion or widespread sentiment. But this is only one dimension of TEAG direct action efforts. The new age envisioned by Hunter is more than passing environmental legislation or adopting new environmental policies. Additionally, it involves convincing all actors—from governments to corporations, private organizations, and ordinary citizens—to make decisions and act in deference to environmental awareness. Smitten with such ideas, governments will, activists hope, take measures to protect the environment. When the ideas have more resonance outside government, they will shift the standards of good conduct and persuade people to act differently even though governments are not requiring them to do so. In short, TEAGs work to disseminate an ecological sensibility to shift the governing ideas that animate societies, whether institutionalized within government or not, and count on this to reverberate throughout various institutions and collectivities.

The challenge for students of international relations is to apprehend the effects of these efforts and their political significance. As already mentioned, scholars have traditionally focused on state policy and used this as the criterion for endowing NGOs with political significance. Such a focus, however, misses the broader changes initiated by NGOs beyond state behavior. To get at this dimension of change requires a more sociological orientation toward world affairs.[36] One such orientation is a so-called fluid approach.

The fluid approach has been used in the study of domestic social movements but can be adopted to analyze TEAGs.[37] It gauges the signif-

[35] Hunter (fn. 33), 229.

[36] Sociological perspectives on world politics have proliferated over the past few years. See, for example, Leslie Sklair, *Sociology of the Global System* (Baltimore: Johns Hopkins University Press, 1991); and David Jacobson, "The States System in the Age of Rights" (Ph.D. diss., Princeton University, 1991).

[37] Joseph Gusfield, "Social Movements and Social Change: Perspectives on Linearity and Fluidity," in Louis Kriesberg, ed., *Research in Social Movements, Conflicts and Change* (Greenwich, Conn.: JAI Press, 1981), 4:326.

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icance of activist groups by attending to cultural expressions that signal cognitive, affective, and evaluative shifts in societies. Observers are attuned to the quickening of actions and to changes in meaning and perceive that something new is happening in a wide variety of places. When analyzing the peace movement, for instance, a fluid approach recognizes that activists aim not only to convince governments to cease making war but also to create more peaceful societies. This entails propagating expressions of nonviolence, processes of conflict resolution, and, according to some, practices that are more cooperative than competitive. A fluid approach looks throughout society and interprets shifts in such expressions as a measure of the success of the peace movement.[38] Similarly, a fluid approach acknowledges that feminist groups aim at more than simply enacting legislation to protect women against gender discrimination. Additionally, they work to change patriarchal practices and degrading representations of women throughout society. Thus, as Joseph Gusfield notes, the successes of the feminist movement can be seen "where the housewife finds a new label for discontents, secretaries decide not to serve coffee and husbands are warier about using past habits of dominance."[39] A fluid approach, in other words, interprets activist efforts by noticing and analyzing, in the words of Herbert Blumer, a "cultural drift," "societal mood," or "public orientation" felt and expressed by people in diverse ways.[40] It focuses on changes in lifestyle, art, consumer habits, fashion, and so forth and sees these, as well as shifts in laws and policies, as consequences of activist efforts.

Applied to the international arena, a fluid approach enables one to appreciate, however imperfectly, changes initiated by transnational activists that occur independently of state policies. With regard to TEAGs, it allows one to observe how an environmental sensibility infiltrates deliberations at the individual, organizational, corporate, governmental, and interstate levels to shape world collective life.

Consider the following. In 1970 one in ten Canadians said the environment was worthy of being on the national agenda; twenty years later one in three felt not only that it should be on the agenda but that it was the most pressing issue facing Canada.[41] In 1981, 45 percent of

[38] Paul Joseph, *Peace Politics* (Philadelphia: Temple University Press, 1993), 147–51; Johan Galtung, "The Peace Movement: An Exercise in Micro-Macro Linkages," *International Social Science Journal* 40 (August 1989), 377–82.

[39] Gusfield (fn. 37), 326.

[40] Blumer, "Social Movements," in Barry McLaughlin, ed., *Studies in Social Movements: A Social Psychological Perspective* (New York: Free Press, 1969).

[41] Linda Starke, *Signs of Hope: Working toward Our Common Future* (New York: Oxford University Press, 1990), 2, 105.

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those polled in a U.S. survey said that protecting the environment was so important that "requirements and standards cannot be too high and continuing environmental improvements must be made regardless of cost"; in 1990, 74 percent supported the statement.[42] This general trend is supported around the world. In a recent Gallup poll majorities in twenty countries gave priority to safeguarding the environment even at the cost of slowing economic growth; additionally, 71 percent of the people in sixteen countries, including India, Mexico, South Korea, and Brazil, said they were willing to pay higher prices for products if it would help to protect the environment.[43]

These figures suggest a significant shift in awareness and concern about the environment over the past two decades. It is also worth noting that people have translated this sentiment into changes in behavior. In the 1960s the U.S. Navy and Air Force used whales for target practice. Twenty-five years later an international effort costing $5 million was mounted to save three whales trapped in the ice in Alaska.[44] Two decades ago corporations produced products with little regard for their environmental impact. Today it is incumbent upon corporations to reduce negative environmental impact at the production, packaging, and distribution phases of industry.[45] When multilateral development banks and other aid institutions were established after the Second World War, environmental impact assessments were unheard of; today they are commonplace.[46] Finally, twenty years ago recycling as a concept barely existed. Today recycling is mandatory in many municipalities around the world, and in some areas voluntary recycling is a profit-making industry. (Between 1960 and 1990 the amount of municipal

[42] Mathew Wald, "Guarding the Environment: A World of Challenges," *New York Times*, April 22, 1990, p. A1.

[43] George Gallup International Institute, "The Health of the Planet Survey," quoted in "Bush Out of Step, Poll Finds," *Terra Viva: The Independent Daily of the Earth Summit* (Rio de Janiero), June 3, 1992, p. 5. See, generally, Riley Dunlap, George Gallup, Jr., and Alec Gallup, "Of Global Concern: Results of the Health of the Planet Survey," *Environment* 53 (November 1993).

[44] David Day, *The Whale War* (San Francisco: Sierra Club Books, 1987), 157. For a critical view of Operation Breakout, see Tom Rose, *Freeing the Whales: How the Media Created the World's Greatest Non-Event* (New York: Birch Lane Press, 1989).

[45] See Council on Economic Priorities, *Shopping for a Better World* (New York: Council on Economic Priorities, 1988); Cynthia Pollock Shea, "Doing Well by Doing Good," *World Watch* 2 (November–December 1989). According to a 1991 Gallup poll, 28 percent of the U.S. public claimed to have "boycotted a company's products because of its record on the environment," and, according to Cambridge Reports, in 1990, 50 percent of respondents said that they were "avoiding the purchase of products by a company that pollutes the environment"—an increase of 18 percent since 1987. Quoted in Riley Dunlap, "Public Opinion in the 1980s: Clear Consensus, Ambiguous Commitment," *Environment* 33 (October 1991), 36. See, more generally, Bruce Smart, *Beyond Compliance: A New Industry View of the Environment* (Washington, D.C.: World Resources Institute, 1992).

[46] Jeremy Warford and Zeinab Partow, "Evolution of the World Bank's Environmental Policy," *Finance and Development*, no. 26 (December 1989).

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solid waste recovered by recycling in the United States more than quintupled.)[47] In each of these instances people are voluntarily modifying their behavior in part because of the messages publicized by activists. If one looked solely at state behavior to account for this change, one would miss a tremendous amount of significant world political action.

A final, if controversial, example of the dissemination of an ecological sensibility is the now greatly reduced practice of killing harp seal pups in northern Canada. Throughout the 1960s the annual Canadian seal hunt took place without attracting much public attention or concern. In the late 1960s and throughout the 1970s and 1980s the International Fund for Animals, Greenpeace, the Sea Shepherds Conservation Society, and a host of smaller preservation groups saw this—in hindsight inaccurately, according to many—as a threat to the continued existence of harp seals in Canada. They brought the practice to the attention of the world, using, among other means, direct action. As a result, people around the globe, but especially in Europe, changed their buying habits and stopped purchasing products made out of the pelts. As a consequence, the market for such merchandise all but dried up with the price per skin plummeting.[48] Then, in 1983, the European Economic Community (EEC) actually banned the importation of seal pelts.[49] It is significant that the EEC did so only after consumer demand had already dropped dramatically.[50] Governmental policy, that is, may have simply been an afterthought and ultimately unnecessary. People acted in response to the messages propagated by activist groups.[51]

When Greenpeace and other TEAGs undertake direct action or follow other strategies to promote an ecological sensibility, these are the types of changes they are seeking. At times, governments respond with policy measures and changed behavior with respect to environmental

[47] U.S. Bureau of the Census, *Statistical Abstract of the United States, 1993* (Washington, D.C.: Bureau of the Census, 1993), 227, table 372.

[48] The average price per seal pup skin dropped from $23.09 in 1979 to $10.15 in 1983. See George Wenzel, *Animal Rights, Human Rights* (Toronto: University of Toronto Press, 1991), 124, table 6.12.

[49] This led to a further drop in price. By 1985 the price per skin had dropped to $6.99. See fn. 48.

[50] Wenzel (fn. 48), 52–53; idem, "Baby Harp Seals Spared," *Oceans* 21 (March–April 1988); see, generally, Day (fn. 33), 60–64.

[51] This example also demonstrates that environmental activists are not always accurate in assessing environmental threats and guaranteeing the ecological soundness of the sensibility they wish to impart. There is no evidence that harp seals were ever an endangered species. This is particularly troubling because the activities of Greenpeace, IFAW, and others produced severe social dislocation and hardship for communities as far away as Greenland, Iceland, and the Faroe Islands, as well as in the coastal communities of Newfoundland and Baffin Island. See Oran Young, *Arctic Politics: Conflict and Cooperation in the Circumpolar North* (Hanover, N.H.: University Press of New England, 1992), 128; J. Allen, "Anti-Sealing as an Industry," *Journal of Political Economy* 87 (April 1979); Leslie Spence et al., "The Not So Peaceful World of Greenpeace," *Forbes*, November 11, 1991; Wenzel (fn. 46).

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issues. The failure of governments to respond, however, does not necessarily mean that the efforts of activists have been in vain. Rather, they influence understandings of good conduct throughout societies at large. They help set the boundaries of what is considered acceptable behavior.[52]

When people change their buying habits, voluntarily recycle garbage, boycott certain products, and work to preserve species, it is not necessarily because governments are breathing down their necks. Rather, they are acting out of a belief that the environmental problems involved are severe, and they wish to contribute to alleviating them. They are being "stung," as it were, by an ecological sensibility. This sting is a type of governance. It represents a mechanism of authority that can shape widespread human behavior.

Multinational Corporate Politics

In 1991 the multinational McDonald's Corporation decided to stop producing its traditional clamshell hamburger box and switch to paper packaging in an attempt to cut back on the use of disposable foam and plastic. In 1990 Uniroyal Chemical Company, the sole manufacturer of the apple-ripening agent Alar, ceased to produce and market the chemical both in the United States and abroad. Alar, the trade name for daminozide, was used on most kinds of red apples and, according to some, found to cause cancer in laboratory animals. Finally, in 1990 Starkist and Chicken of the Sea, the two largest tuna companies, announced that they would cease purchasing tuna caught by setting nets on dolphins or by any use of drift nets; a year later Bumble Bee Tuna followed suit. Such action has contributed to protecting dolphin populations around the world.

In each of these instances environmental activist groups—both domestic and transnational—played an important role in convincing corporations to alter their practices. To be sure, each case raises controversial issues concerning the ecological wisdom of activist pressures, but it also nevertheless demonstrates the effects of TEAG efforts. In the case of McDonald's, the corporation decided to abandon its foam and plastic containers in response to prodding by a host of environmental groups. These organizations, which included the Citizens Clearinghouse for Hazardous Waste, Earth Action Network, and Kids against

[52] On the issue of good conduct, see Gary Orren, "Beyond Self-Interest," in Robert Reich, ed., *The Power of Public Ideas* (Cambridge: Harvard University Press, 1988).

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Pollution, organized a "send-back" campaign in which people mailed McDonald's packaging to the national headquarters. Additionally, Earth Action Network actually broke windows and scattered supplies at a McDonald's restaurant in San Francisco to protest the company's environmental policies. The Environmental Defense Fund (EDF) played a mediating role by organizing a six-month, joint task force to study ways to reduce solid waste in McDonald's eleven thousand restaurants worldwide. The task force provided McDonald's with feasible responses to activist demands.[53] What is clear from most reports on the change is that officials at McDonalds did not believe it necessarily made ecological or economic sense to stop using clamshell packaging but that they bent to activist pressure.[54]

Uniroyal Chemical Company ceased producing Alar after groups such as Ralph Nader's Public Interest Research Group (PIRG) and the Natural Resources Defense Council (NRDC) organized a massive public outcry about the use of the product on apples in the U.S. and abroad. In 1989 NRDC produced a study that found that Alar created cancer risks 240 times greater than those declared safe by the U.S. Environmental Protection Agency (EPA).[55] This was publicized on CBS's *60 Minutes* and led to critical stories in numerous newspapers and magazines. Moreover, activists pressured supermarket chains to stop selling apples grown with Alar and pressured schools to stop serving Alar-sprayed apples. The effects were dramatic. The demand for apples in general shrank significantly because of the scare, lowering prices well below the break-even level.[56] This led to a loss of $135 million for Washington State apple growers alone.[57] Effects such as these and continued pressure by activist groups convinced Uniroyal to cease production of the substance not only in the U.S. but overseas as well. Like McDonalds, Uniroyal changed its practices not for economic reasons nor to increase business nor because it genuinely felt Alar was harmful. Rather, it capitulated to activist pressure. In fact, there is evi-

[53] Bramble and Porter (fn. 2), 238; Porter and Brown (fn. 2), 61; Michael Parrish, "McDonald's to Do Away with Foam Packages," *Los Angeles Times*, November 2, 1990, p. A1.

[54] "McDonalds Admits to Bowing to Ill-Informed Opinion on Polystyrene," *British Plastics and Rubber* (January 1991), 35; Phyllis Berman, "McDonald's Caves In," *Forbes*, February 4, 1991; Brian Quinton, "The Greening of McDonalds," *Restaurants and Institutions* 100 (December 1990), 28; John Holusha, "Packaging and Public Image: McDonald's Fills a Big Order," *New York Times*, November 2, 1990.

[55] Natural Resources Defense Council, "Intolerable Risk: Pesticides in Our Children's Food: Summary," *A Report by the Natural Resources Defense Council* (New York, February 27, 1989).

[56] Timothy Egan, "Apple Growers Bruised and Bitter after Alar Scare," *New York Times*, July 9, 1991, p. A1.

[57] Michael Fumento, *Science under Seige: Balancing Technology and the Environment* (New York: William Morrow, 1993), 20.

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dence from nonindustry sources suggesting that Alar did not pose the level of threat publicized by activists.[58]

Finally, in the case of dolphin-free tuna, Earth Island Institute (EII) and other organizations launched an international campaign in 1985 to stop all drift-net and purse seine fishing by tuna fleets. For unknown reasons, tuna in the Eastern Tropical Pacific Ocean swim under schools of dolphins. For years tuna fleets have set their nets on dolphins or entangled dolphins in drift nets as a way to catch tuna. While some fleets still use these strategies, the three largest tuna companies have ceased doing so. TEAGs were at the heart of this change. Activists waged a boycott against all canned tuna, demonstrated at stockholders' meetings, and rallied on the docks of the Tuna Boat Association in San Diego. Furthermore, EII assisted in the production of the film *Where Have All the Dolphins Gone?* which was shown throughout the United States and abroad; it promoted the idea of "dolphin-safe" tuna labels to market environmentally sensitive brands; and it enlisted Heinz, the parent company of Starkist, to take an active role in stopping the slaughter of dolphins by all tuna companies. Its efforts, along with those of Greenpeace, Friends of the Earth, and others, were crucial to promoting dolphin-safe tuna fishing.[59] One result of these efforts is that dolphin kills associated with tuna fishing in 1993 numbered fewer than 5,000. This represents one-third the mortality rate of 1992, when 15,470 dolphins died in nets, and less than one-twentieth of the number in 1989, when over 100,000 dolphins died at the hands of tuna fleets.[60] These numbers represent the effects of activist efforts. Although governments did eventually adopt domestic dolphin conservation policies and negotiated partial international standards to reduce dolphin kills, the first such actions came into force only in late 1992 with the United Nations moratorium on drift nets. Moreover, the first significant actions against purse seine fishing, which more directly affects dolphins, came in June 1994 with the United States International

[58] "Revenge of the Apples," *Wall Street Journal*, December 17, 1990, p. A8. See generally Allan Gold, "Company Ends Use of Apple Chemical," *New York Times*, October 17, 1990; Adrian de Wind, "Alar's Gone, Little Thanks to the Government," *New York Times*, July 30, 1991; Leslie Roberts, "Alar: The Numbers Game," *Science* (March 24, 1989), 1430. For criticisms of the Alar campaign, see Fumento (fn. 57), 19–44; Bruce Ames, "Too Much Fuss about Pesticides," *Consumer's Research Magazine* (April 1990); and more generally idem, "Misconceptions about Pollution and Cancer," *National Review* 42 (December 1990).

[59] Dave Phillips, "Breakthrough for Dolphins: How We Did It," *Earth Island Journal* 5 (Summer 1990); idem, "Taking Off the Gloves with Bumble Bee," *Earth Island Journal* 6 (Winter 1991); "Three Companies to Stop Selling Tuna Netted with Dolphins," *New York Times*, April 13, 1990, pp. A1, A14.

[60] "Dolphin Dilemmas," *Environment* 35 (November 1993), 21.

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Dolphin Conservation Act.[61] As with the Canadian seal pup hunt, government action in the case of tuna fisheries largely codified changes that were already taking place.

In each instance, activist groups did not direct their efforts at governments. They did not target politicians; nor did they organize constituent pressuring. Rather, they focused on corporations themselves. Through protest, research, exposés, orchestrating public outcry, and organizing joint consultations, activists won corporate promises to bring their practices in line with environmental concerns. The levers of power in these instances were found in the economic realm of collective life rather than in the strictly governmental realm. Activists understand that the economic realm, while not the center of traditional notions of politics, nevertheless furnishes channels for effecting widespread changes in behavior; they recognize that the economic realm is a form of governance and can be manipulated to alter collective practices.

Perhaps the best example of how activist groups, especially transnational ones, enlist the economic dimensions of governance into their enterprises is the effort to establish environmental oversight of corporations. In September 1989 a coalition of environmental, investor, and church interests, known as the Coalition for Environmentally Responsible Economies (CERES), met in New York City to introduce a ten-point environmental code of conduct for corporations. One month later CERES, along with the Green Alliance, launched a similar effort in the United Kingdom. The aim was to establish criteria for auditing the environmental performance of large domestic and multinational industries. The code called on companies to, among other things, minimize the release of pollutants, conserve nonrenewable resources through efficient use and planning, utilize environmentally safe and sustainable energy sources, and consider demonstrated environmental commitment as a factor in appointing members to the board of directors. Fourteen environmental organizations, including TEAGs such as Friends of the Earth and the International Alliance for Sustainable Agriculture, publicize the CERES Principles (formerly known as the Valdez Principles, inspired by the Exxon *Valdez* oil spill) and enlist corporations to pledge compliance. What is significant from an international perspective is that signatories include at least one Fortune 500 company and a number of multinational corporations. Sun Company, General Motors, Po-

[61] "U.S. Law Bans Sale of Dolphin-UnSafe Tuna," *Earth Island Journal* 9 (Summer 1994), 7.

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laroid, and a host of other MNCs have pledged compliance or are at least seriously considering doing so. Because these companies operate in numerous countries, their actions have transnational effects.

The CERES Principles are valuable for a number of reasons. In the case of pension funds, the code is being used to build shareholder pressure on companies to improve their environmental performance. Investors can use it as a guide to determine which companies practice socially responsible investment. Environmentalists use the code as a measuring device to praise or criticize corporate behavior. Finally, the Principles are used to alert college graduates on the job market about corporate compliance with the code and thus attempt to make environmental issues a factor in one's choice of a career. Taken together, these measures force some degree of corporate accountability by establishing mechanisms of governance to shape corporate behavior. To be sure, they have not turned businesses into champions of environmentalism, nor are they as effectual as mechanisms available to governments. At work, however, is activist discovery and manipulation of economic means of power.[62]

Via the CERES Principles and other forms of pressure, activists thus influence corporate behavior.[63] McDonald's, Uniroyal, and others have not been changing their behavior because governments are breathing down their necks. Rather, they are voluntarily adopting different ways of producing and distributing products. This is not to say that their actions are more environmentally sound than before they responded to activists or that their attempt to minimize environmental dangers is sincerely motivated. As mentioned, environmental activist groups do not have a monopoly on ecological wisdom, nor is corporate "greening" necessarily well intentioned.[64] Nonetheless, the multinational corporate politics of transnational groups are having an effect on the way industries do business. And to the degree that these enterprises are involved in issues of widespread public concern that cross state boundaries, activist pressure must be understood as a form of world politics.

[62] See CERES Coalition, *The 1990 Ceres Guide to the Valdez Principles* (Boston: CERES, 1990); Valerie Ann-Zondorak, "A New Face in Corporate Environmental Responsibility: The Valdez Principles," *Boston College Environmental Affairs Law Review* 18 (Spring 1991); Jack Doyle, "Valdez Principles: Corporate Code of Conduct," *Social Policy* 20 (Winter 1990); Joan Bavaria, "Dispatches from the Front Lines of Corporate Social Responsibility," *Business and Society Review*, no. 81 (Spring 1992).

[63] For an extended discussion of NGO corporate politics that provides additional examples, see Starke (fn. 41), 89ff.

[64] See, for example, Jack Doyle, "Hold the Applause: A Case Study of Corporate Environmentalism," *Ecologist* 22 (May–June 1992); David Beers and Catherine Capellaro, "Greenwash!" *Mother Jones* (March–April 1991). For sympathetic views, see Stephan Schmidheiny, *Changing Course: A Global Business Perspective on Development and the Environment* (Cambridge: MIT Press, 1992); Smart (fn. 45).

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Empowering Local Communities

For decades TEAGs have worked to conserve wildlife in the developing world. Typically, this has involved people in the First World working in the Third World to restore and guard the environment. First World TEAGs—ones headquartered in the North—believed that Third World people could not appreciate the value of wildlife or were simply too strapped by economic pressures to conserve nature. Consequently, environmental organizations developed, financed, and operated programs in the field with little local participation or input.

While such efforts saved a number of species from extinction and set in motion greater concern for Third World environmental protection, on the whole they were unsuccessful at actually preserving species and their habitats from degradation and destruction.[65] A key reason for this was that they attended more to the needs of plants and especially animals than to those of the nearby human communities. Many of the earth's most diverse and biologically rich areas are found in parts of the world where the poorest peoples draw their livelihood from the land. As demographic and economic constraints grow tighter, these people exploit otherwise renewable resources in an attempt merely to survive.[66] Ecological sustainability in these regions, then, must involve improving the quality of life of the rural poor through projects that integrate the management of natural resources with grassroots economic development.

Often after having supported numerous failed projects, a number of TEAGs have come to subscribe to this understanding and undertake appropriate actions. World Wildlife Fund (WWF) or World Wide Fund for Nature, as it is known outside English-speaking countries, is an example of such an organization. WWF is a conservation group dedicated to protecting endangered wildlife and wildlands worldwide. It originated in 1961 as a small organization in Switzerland, making grants to finance conservation efforts in various countries. Over the past thirty years it has grown into a full-scale global environmental organization with offices in over twenty countries. Within the past decade, WWF has established a wildlands and human needs program, a

[65] See, for example, Philip Hurst, *Rainforest Politics: Ecological Destruction in South East Asia* (Atlantic Highlands, N.J.: Zed Books, 1990); H. Jeffrey Leonard, ed., *Environment and the Poor: Development Strategies for a Common Agenda* (New Brunswick, N.J.: Transaction Books, 1989).

[66] The relationship between the world's poor and environmental destruction is a complicated one. See, for example, Robin Broad, "The Poor and the Environment: Friends or Foes?" *World Development* 22 (June 1994); and Robert W. Kates and Viola Haarmann, "Where the Poor Live: Are the Assumptions Correct?" *Environment* 34 (May 1992).

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method of conservation to be applied to all WWF projects linking human economic well-being with environmental protection. It structures a game management system in Zambia, for example, which involves local residents in antipoaching and conservation efforts, and the channeling of revenues from tourism and safaris back into the neighboring communities that surround the preserves.[67] It informs a WWF-initiated Kilum Mountain project in the Cameroon that is developing nurseries for reforestation, reintroducing indigenous crops, and disseminating information about the long-term effects of environmentally harmful practices.[68] Finally, it is operative in a project in St. Lucia, where WWF has lent technical assistance to set up sanitary communal waste disposal sites, improved marketing of fish to reduce overfishing, and protected mangroves from being used for fuel by planting fast-growing fuel-wood trees.[69] WWF is not alone in these efforts. The New Forests Project, the Association for Research and Environmental Aid (AREA), the Ladakh Project, and others undertake similar actions.

In these kinds of efforts, TEAGs are not trying to galvanize public pressure aimed at changing governmental policy or directly lobbying state officials; indeed, their activity takes place far from the halls of congresses, parliaments, and executive offices. Rather, TEAGs work with ordinary people in diverse regions of the world to try to enhance local capability to carry out sustainable development projects. The guiding logic is that local people must be enlisted in protecting their own environments and that their efforts will then reverberate through wider circles of social interaction to affect broader aspects of world environmental affairs.[70]

[67] See World Wildlife Fund, *The African Madagascar Program* (pamphlet) (April 1994); Nyamaluma Conservation Camp Lupande Development Project, *Zambian Wildlands and Human Needs Newsletter* (Mfuwe) (March 1990); Gabrielle Walters, "Zambia's Game Plan," *Topic Magazine* (U.S. Information Agency), no. 187 (1989); Roger Stone, "Zambia's Innovative Approach to Conservation," *World Wildlife Fund Letter*, no. 7 (1989); *WWF ProjectFolder #1652*.

[68] Proceedings of the workshop on Community Forest/Protected Area Management, Maumi Hotel, Yaounde, Cameroon, October 12–13, 1993, sponsored by the Cameroon Ministry of Environment and Forests; Roger Stone, "The View from Kilum Mountain," *World Wildlife Fund Letter*, no. 4 (1989); Michael Wright, "People-Centered Conservation: An Introduction," *Wildlands and Human Needs: A Program of World Wildlife Fund* (pamphlet) (Washington, D.C.: WWF, 1989); World Wildlife Fund, *1988–1989 Annual Report on the Matching Grant for a Program in Wildlands and Human Needs*, U.S. AID Grant #OTR-0158-A-00-8160-00 (Washington, D.C.: WWF, 1989).

[69] Roger Stone, "Conservation and Development in St. Lucia," *World Wildlife Fund Letter*, no. 3 (1988).

[70] See Vandana Shiva, "North-South Conflicts in Global Ecology," *Third World Network Features*, December 11, 1991; John Hough and Mingma Norbu Sherpa, "Bottom Up vs. Basic Needs: Integrating Conservation and Development in the Annapurna and Michiru Mountain Conservation Areas of Nepal and Malawi," *Ambio* 18, no. 8 (1989); Robin Broad, John Cavanaugh, and Walden Bellow, "Development: The Market Is Not Enough," *Foreign Policy*, no. 81 (Winter 1990); Hurst (fn. 65).

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Independent of the content of specific projects, the efforts of TEAGs almost always bring local people together.[71] They organize people into new forms of social interaction, and this makes for a more tightly woven web of associational life. To the degree that this is attentive to ecological issues, it partially fashions communities into ecologically sensitive social agents. This enables them more effectively to resist outside forces that press them to exploit their environments, and it helps them assume a more powerful role in determining affairs when interacting with outside institutions and processes. To paraphrase Michael Bratton, hands-on eco-development projects stimulate and release popular energies in support of community goals.[72] This strengthens a community's ability to determine its own affairs and influence events outside its immediate domain.

The dynamics of environmental destruction often do not originate at the local or state level. Poor people who wreck their environments are generally driven to do so by multiple external pressures. Embedded within regional, national, and ultimately global markets, living under political regimes riven by rivalries and controlled by leadership that is not popularly based, penetrated by MNCs, and often at the mercy of multilateral development banks, local people respond to the consumptive practices and development strategies of those living in distant cities or countries.[73] Once empowered, however, communities can respond to these pressures more successfully. For example, since 1985 tens of thousands of peasants, landless laborers, and tribal people have demonstrated against a series of dams in the Narmada Valley that critics believe will cause severe environmental and social damage. The Sardar Sarovar projects are intended to produce hydroelectric energy for the states of Gujarat, Madhya Pradesh, and Maharashtra and have been supported by the governments of these states, the Indian government, and until recently the World Bank. Resistance started locally, but since 1985 it has spread with the formation by local and transnational groups of an activist network that operates both inside India and

[71] Outside contact may also splinter traditional associations causing economic and social dislocation. See, for example, James Mittelman, *Out from Underdevelopment: Prospects for the Third World* (New York: St. Martin's Press, 1988), 43–44.

[72] Bratton, "The Politics of Government-NGO Relations in Africa," *World Development* 17, no. 4 (1989), 574.

[73] See "Whose Common Future," *Ecologist* (special issue) 22, no. 4 (July–August 1992); Robert McC. Adams, "Foreword: The Relativity of Time and Transformation," in B. L. Turner et al., eds., *The Earth as Transformed by Human Action* (New York: Columbia University Press with Clark University, 1990). For how these pressures work in one particular area, see Susanna Hecht and Alexander Cockburn, *The Fate of the Forest: Developers, Destroyers and Defenders of the Amazon* (New York: Harper Perennial, 1990).

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abroad to thwart the project. While the final outcome has yet to be determined, local communities have already redefined the debate about the environmental efficacy of large dam projects, as well as those having to do with displacement and rehabitation. As a result, the Indian government, the World Bank, and other aid agencies now find themselves profoundly hesitant about future dam projects; indeed, in 1993 the Indian government withdrew its request for World Bank funding to support the Sardar Sarovar project.[74] Finally, local communities have served notice, through their insistence that they will drown before they let themselves be displaced, that they are better organized to resist other large-scale, external environmental and developmental designs.[75]

Local empowerment affects wider arenas of social life in a positive, less reactive fashion when communities reach out to actors in other regions, countries, and continents. Indeed, the solidification of connections between TEAGs and local communities itself elicits responses from regional, national, and international institutions and actors. This connection is initially facilitated when TEAGs that have offices in the developed world transfer money and resources to Third World communities. In 1989, for example, northern NGOs distributed $6.4 billion to developing countries, which is roughly 12 percent of all public and private development aid.[76] Much of this aid went to local NGOs and helped to empower local communities.[77]

This pattern is part of a broader shift in funding from First World governments. As local NGOs become better able to chart the economic and environmental destinies of local communities, First World donors look to them for expertise and capability. For instance, in 1975 donor governments channeled $100 million through local NGOs; in 1985 the figure had risen to $1.1 billion.[78] This represents a shift on the part of

[74] Hilary French, "Rebuilding the World Bank," in Lester Brown et al., *State of the World, 1994* (New York: W. W. Norton, 1994), 163.

[75] See Bramble and Porter (fn. 2); "Withdraw from Sardar Sarovar, Now: An Open Letter to Mr. Lewis T. Preston, President of the World Bank," *Ecologist* 22 (September–October 1992); James Rush, *The Last Tree: Reclaiming the Environment in Tropical Asia* (New York: Asia Society, distributed by Boulder, Colo.: Westview Press, 1991).

[76] Robert Livernash, "The Growing Influence of NGOs in the Developing World," *Environment* 34 (June 1992), 15.

[77] Such funding was evident in the preparatory meetings organized for the United Nations Conference on Environment and Development (UNCED). Organizations such as WWF spent thousands of dollars to bring Third World NGOs to Geneva, New York, and eventually to Brazil to attend the proceedings.

[78] Michael Cernea, "Nongovernmental Organizations and Local Development," *Regional Development Dialogue* 10 (Summer 1989), 117. One should note that although the overall trend is to fund local NGOs, the amount of money going to local NGOs decreased in 1987. It increased the following year, however.

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Official Development Assistance (ODA) countries. In 1975 they donated only 0.7 percent of their funding through Third World NGOs; in 1985 the figure rose to 3.6 percent.[79] This pattern is further accentuated when First World governments turn to transnational NGOs in the North for similar expertise. According to a 1989 OECD report, by the early 1980s virtually all First World countries adopted a system of cofinancing projects implemented by their national NGOs. "Official contributions to NGOs' activities over the decades have been on an upward trend, amounting to $2.2 billion in 1987 and representing 5 percent of total ODA," according to the report.[80] While much of this was funneled through voluntary relief organizations such as Catholic Relief Services, overall there has been an upgrading in the status of NGOs concerned with development and environmental issues.[81]

Increased aid to local NGOs has obvious effects on local capability. It enhances the ability of communities to take a more active and effectual role in their economic and environmental destinies. The effects are not limited, however, to a more robust civil society. Many of the activities and certainly the funding directly challenge or at least intersect with state policies; thus, governments are concerned about who controls any foreign resources that come into the country. When funds go to NGOs, state activity can be frustrated. This is most clear in places like Kenya and Malaysia, where environmental NGOs are part of broader opposition groups. In these instances outside aid to local groups may be perceived as foreign intervention trying to diminish state power. At a lesser degree of challenge, outside support may simply minimize the control government exercises over its territory. Empowering local communities diminishes state authority by reinforcing local loyalties at the expense of national identity. At a minimum, this threatens government attempts at nation building. Put most broadly, TEAGs pose a challenge to state sovereignty and more generally redefine the realm of the state itself. Thus, while TEAGs may see themselves working outside the domain of the state and focusing on civil society per se, their actions in fact have a broader impact and interfere with state politics.

Nevertheless, it would be misleading to think about TEAGs as tradi-

[79] Cernea (fn. 78), 118, table 1. One should note that the reason for this shift in funding is a combination of the perceived failure of governments to promote development, the proved effectiveness of NGO responses to recent famines throughout Africa, and donor's preference for private sector development. See Anne Drabek, "Editor's Preface," *World Development* 15, supplement (Autumn 1987).

[80] Organization for Economic Cooperation and Development (OECD), *Development Cooperation in the 1990s: Efforts and Policies of the Members of the Development Assistance Committee* (Paris: OECD, 1989), 82.

[81] See Fisher (fn. 14).

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tional interest groups. Rather, with their hands-on development/environmental efforts TEAGs attempt to work independent of governmental activity at the level of communities themselves. That their activities end up involving them in the political universe of the state is indicative of the porous boundary between local communities and the state or, more broadly, between the state and civil society. It does not mean that activist efforts in civil society gain political relevance only when they intersect state activities.[82]

The grassroots efforts of transnational environmental activists aim to engage people at the level at which they feel the most immediate effects—their own local environmental and economic conditions. At this level, TEAGs try to use activism itself, rooted in the actual experience of ordinary people, as a form of governance. It can alter the way people interact with each other and their environment, literally to change the way they live their lives. To the degree that such efforts have ramifications for wider arenas of social interaction—including states and other actors—they have world political significance.

World Civic Politics

The predominant way to think about NGOs in world affairs is as transnational interest groups. They are politically relevant insofar as they affect state policies and interstate behavior. In this article I have argued that TEAGs, a particular type of NGO, have political relevance beyond this. They work to shape the way vast numbers of people throughout the world act toward the environment using modes of governance that are part of global civil society.

Greenpeace, Sea Shepherds Conservation Society, and EarthFirst!, for example, work to disseminate an ecological sensibility. It is a sensibility not restricted to governments nor exclusively within their domain of control. Rather, it circulates throughout all areas of collective life. To the degree this sensibility sways people, it acts as a form of governance. It defines the boundaries of good conduct and thus animates how a host of actors—from governments to voluntary associations and ordinary citizens—think about and act in reference to the environment.

A similar dynamic is at work when TEAGs pressure multinational corporations. These business enterprises interact with states, to be sure, and state governments can restrict their activities to a significant

[82] For a discussion of the interface at the local level, see Philip Hirsch, "The State in the Village: The Case of Ban Mai," *Ecologist* 23 (November–December 1993).

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degree. They are not monopolized by states, however, and thus their realm of operation is considerably beyond state control. Due to the reach of multinational corporations into environmental processes, encouraging them to become "green" is another instance of using the governing capacities outside formal government to shape widespread activities.

Finally, when TEAGs empower local communities, they are likewise not focused primarily on states. Rather, by working to improve people's day-to-day economic lives in ecologically sustainable ways, they bypass state apparatuses and activate governance that operates at the community level. As numerous communities procure sustainable development practices, the efforts of TEAGs take effect. Moreover, as changed practices at this level translate up through processes and mechanisms that are regional, national, and global in scope, the efforts by TEAGs influence the activities of larger collectivities, which in turn shape the character of public life.

I suggested that the best way to think about these activities is through the category of "world civic politics." When TEAGs work through transnational networks associated with cultural, social, and economic life, they are enlisting forms of governance that are civil as opposed to official or state constituted in character. Civil, in this regard, refers to the quality of interaction that takes place above the individual and below the state yet across national boundaries. The concept of world civic politics clarifies how the forms of governance in global civil society are distinct from the instrumentalities of state rule.

At the most foundational level, states govern through legal means that are supported by the threat or use of force. To be sure, all states enjoy a minimum of loyalty from their citizens and administrate through a variety of nonlegal and noncoercive means. Ultimately, however, the authority to govern per se rests on the claim to a monopoly over legitimate coercive power. By contrast, civic power has no legally sanctioned status and cannot be enforced through the legitimate use of violence. It rests on persuasion and more constitutive employment of power in which people change their practices because they have come to understand the world in a way that promotes certain actions over others or because they operate in an environment that induces them to do so. Put differently, civic power is the forging of voluntary and customary practices into mechanisms that govern public affairs. When TEAGs disseminate an ecological sensibility, pressure corporations, or empower local communities, they are exercising civic power across national boundaries. They are turning formerly nonpolitical practices

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into instruments of governance; they are, that is, politicizing global civil society.

The distinction between state and civic power rests on the more fundamental differentiation between the state and civil society as spheres of collective life. According to Hegel, the thinker most associated with contrasting the two, civil society is a sphere or "moment" of political order in which individuals engage in free association. Although it is an arena of particular needs, private interests, and divisiveness, it is also one in which citizens can come together to realize joint aims.[83] As it is more generally understood, civil society is the arena beyond the individual.[84] It is there that people engage in spontaneous, customary, and nonlegalistic forms of association with the intention of pursuing "great aims in common," as Tocqueville put it.[85] The state, on the other hand, is a complex network of governmental institutions—including the military, the bureaucracy, and executive offices—that together constitute a legal or constitutional order. This order is undergirded by formal, official authority and aims to administer and control a given territory.[86]

While distinct analytically, civil society is never wholly autonomous or completely separate from the activities of states. As Gramsci and others have argued, state rule often permeates civil society to consolidate power. In these instances, the state and civil society are practically indistinguishable as schools, councils, universities, churches, and even activist groups are regulated, monitored, or run by the state itself.[87] At other times, societies are less saturated by the presence of the state and a robust civil society enjoys a significant degree of independence. But even here, it is inaccurate to assume a sharp distinction. The boundaries of the state are always ill defined and essentially amorphous, overlapping with civil society itself.[88] Because the boundaries between

[83] As a moment of social organization, civil society sits at an intermediate stage of collective development that finds its apex at the state. The state, however, does not supersede civil society but rather contains and preserves it in order to transform it into a higher level of social expression. The state's job, as it were, is to enable universal interest—in contrast to private interest—to prevail. In Hegelian terminology, it allows for the realization of ethical life in contrast to the abstract morality available in civil society. See *Hegel's "Philosophy of Right,"* trans. T. M. Knox (London: Oxford University Press, 1967).

[84] More recent formulations of civil society, informed by new understandings of the public/private distinction, include the family as part of civil society. See Cohen and Arato (fn. 5).

[85] Alexis de Tocqueville, *Democracy in America*, ed. Jacob P. Mayer (Garden City, N.Y.: Doubleday, 1969), 520.

[86] David Held, "Introduction: Central Perspectives on the Modern State," in Held et al., eds., *States and Societies* (New York: New York University Press, 1983).

[87] Gramsci (fn. 6), 238ff.

[88] Timothy Mitchell, "The Limits of the State: Beyond Statist Approaches and Their Critics," *American Political Science Review* 85 (March 1991).

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the state and civil society are elusive, porous, and mobile, when actions take place in one realm—although they have a distinct quality of efficacy about them—they have consequences for the other.

The same is true at the global level, and the notion of world civic politics is not meant to obscure this. While global civil society is analytically a distinct sphere of activity, it is shaped by, and in turn shapes, the state system. States' actions greatly influence the content and significance of economic, social, and cultural practices throughout the world and vice versa. While not emphasized above, when TEAGs disseminate an ecological sensibility, pressure corporations, or work to empower local communities, their efforts are neither immune from nor wholly independent of state activity. In each instance, activist efforts intersect with the domain of the state even if this is not the initial intention.[89] What is absolutely essential to recognize, however, is that it is not the entanglements and overlaps with states and the state system that make efforts in global civil society "political." Transnational activism does not simply become politically relevant when it intersects with state behavior. Rather, its political character consists in the ability to use diverse mechanisms of governance to alter and shape widespread behavior. That these networks happen to imbricate the domain of states reveals more about the contours and texture of the playing field within which activists and others operate than about the character of politics itself.

At stake in this analysis, then, is the concept of world politics. Implicit is the understanding that politics in its most general sense concerns the interface of power and what Cicero called *res publico*, the public domain.[90] It is the employment of means to order, direct, and manage human behavior in matters of common concern and involvement. Generically, at least, this activity has nothing to do with government or the state. Government, on the one hand, is an institution that coordinates and shapes public life, by virtue of its authority to make decisions binding on the whole community. The state, on the other hand, is a particular modality of government that emerged in the modern period and came to be associated with political rule itself.[91] Pos-

[89] There are, of course, many instances when activists *do* target the state, in which the interface of global civil society and the state system is critical to strategies pursued by TEAGs. For an extended discussion of this type of action, see Paul Wapner, *Environmental Activism and World Civic Politics* (Albany, N.Y.: SUNY Press, forthcoming).

[90] Cited in Sheldon Wolin, *Politics and Vision: Continuity and Innovation in Western Political Thought* (Boston: Little, Brown, 1960), 2.

[91] Machiavelli was one of the first to recognize this conflation. It led to his "lowering the sights" of

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sessing as it does military, administrative, legislative, and juridical bodies, the state has become the most able mechanism to reach into and affect the lives of vast numbers of people. Notwithstanding the extensive governing capability of government and the state, however, neither exhausts the realm of the political. Other actors govern public affairs; other actors shape, direct, and order widespread practices regarding issues of public involvement.[92] The concept of world civic politics aims to clarify conceptually the political character of governing efforts not associated with the state. It specifies the quality of governance activists employ and distinguishes it from the instrumentalities of state rule.

A final note on the conceptual boundaries of world civic politics: a focus on the civil dimension of world collective life is not meant to obscure the central importance of interstate relations in world affairs. States are the main actors in the international system and will remain so for the indefinite future. In this regard, the concept of world civic politics is not meant to replace or subsume interstate relations. Rather, it is offered as a way of augmenting scholarly understanding. It must be considered alongside state-centered analyses. For this reason, it is still worthwhile measuring and interpreting the lobbying efforts of TEAGs and refining scholarly comprehension of NGO influence on states. Nonetheless, a sensitivity to world civic politics makes clear that this cannot be done to the exclusion of the more general societal efforts employed by TEAGs and NGOs—a failure to take note of the world civic efforts of nonstate actors leaves one with only a partial picture of world affairs and thus presents an incomplete understanding of world politics itself.

politics—that is, removing such matters as salvation and morality from the domain of political life—insofar as he recognized the limited capacities of state apparatuses. See Niccolò Machiavelli, *The Prince* (Middlesex: Penguin Books, 1988); idem, *The Discourses* (New York: Cambridge University Press, 1988).

[92] This point rests on the distinction between government and governance. See James Rosenau, "Governance, Order and Change in World Politics," in James Rosenau and Ernst-Otto Czempiel, eds., *Governance without Government: Order and Change in World Politics* (Cambridge: Cambridge University Press, 1992); Oran Young, George Demko, and Kilaparti Ramakrishma, "Global Environmental Change and International Governance" (Summary and recommendations of a conference held at Dartmouth College, Hanover, N.H., June 1991).

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INSTITUTIONS, ELITES, AND TECHNOLOGICAL CHANGE IN FRANCE AND GERMANY

By J. NICHOLAS ZIEGLER*

WITH the end of the cold war, a new set of fault lines has emerged in the international political economy. The political consequences of economic competition, previously driven by the tensions between command economies and market economies, now hinge increasingly on the differences in the domestic institutions of the market economies themselves. In keeping with this shift, political economists and management scholars have revived the concept of comparative forms of capitalism.[1] These observers have used a range of variables to explain why firms in some countries adjust better than do firms in other countries to changing competitive conditions. Almost all of these scholars have acknowledged a general shift from the scale-based to the knowledge-driven aspects of competition, yet neither political economists nor management specialists have focused on the role of knowledge-bearing groups themselves in the changing patterns of competitive advantage.

This article argues that knowledge-bearing elites and the political relationships among them hold the key to many of the outstanding puzzles regarding comparative industrial performance. As technologi-

* Support for this research was provided by the Center for European Studies, Harvard University, the Sloan School of Management, MIT, and the Max-Planck-Institut für Gesellschaftsforschung, Cologne. For critical comments and suggestions, I am grateful to Martin Baethge, Ron Dore, Mauro Guillén, Peter Hall, Gary Herrigel, Don Lessard, Jonah Levy, Richard Locke, Cathie Martin, Renate Mayntz, William Ocasio, Robert Putnam, Charles Sabel, Richard Samuels, David Vogel, Margaret Weir, and Eleanor Westney.

[1] Interest in this concept can be traced back to Andrew Shonfield, *Modern Capitalism: The Changing Balance of Public and Private Power* (New York: Oxford University Press, 1965). More recent examples include Michel Albert, *Capitalism against Capitalism* (London: Whurr, 1993); Jeffrey E. Garten, *A Cold Peace: America, Japan, Germany, and the Struggle for Supremacy* (New York: Times Books, 1992); Jeffrey A. Hart, *Rival Capitalists: International Competitiveness in the United States, Japan, and Western Europe* (Ithaca, N.Y.: Cornell University Press, 1992); Michael Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990); and David Soskice, "The Institutional Infrastructure for International Competitiveness: A Comparative Analysis of the U.K. and Germany," in Anthony B. Atkinson and Renato Brunetta, eds., *The Economics of the New Europe* (London: Macmillan, 1993).

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cal innovation becomes more important in competitive outcomes, the knowledge-bearing occupations take on a central role in public strategies for industrial change. The ways in which these groups make knowledge available to industrial enterprises can be decisive for the processes that lead some firms to flourish and others to disappear. Since the distribution of knowledge across public and private organizations varies dramatically from one country to the next, it imposes important constraints on the policies that public officials can effectively employ in different countries. The distribution of knowledge is, however, more than a fixed constraint on policy. Knowledge flows through channels that reflect deeply ingrained ideas about the prestige and authority of different professional groups. For this reason, public policies and their consequences depend in ways that are often overlooked on the self-images and prestige hierarchies that inform relations among administrative and technical elites.

Existing Explanations

Several lines of inquiry indicate that knowledge has become a central determinant in the industrial performance of both firms and countries. Theories of the firm have focused increasingly on internal resources, including human resources. Growth theorists have refined the treatment of educational levels and inventive activities in models of endogenous growth. Trade economists have found that research and development is decisive in particular industries.[2] Similarly, debates on the sources of competitiveness have consistently stressed workforce skills, scientific knowledge, and other intangible factors.[3] Despite these tantalizing leads, political scientists have so far done little to compare the various knowledge-bearing elites involved in policy efforts to bolster industrial performance.

The main lines of debate about industrial performance have revolved around the opposition between state intervention and market outcomes. Political scientists contributed by illuminating institutional

[2] For example, Michael Best, *The New Competition* (Cambridge: Harvard University Press, 1990); Birger Wernerfelt, "A Resource-Based View of the Firm," *Strategic Management Journal* 5 (April–June 1984); Margaret A. Peteraf, "The Cornerstones of Competitive Advantage: A Resource-Based View," *Strategic Management Journal* 14 (1993); Paul Romer, "Endogenous Technical Change," *Journal of Political Economy* 98 (October 1990); and Gene Grossman and Elhanan Helpman, *Innovation and Growth in the Global Economy* (Cambridge: MIT Press, 1991).

[3] For example, Bruce Kogut, ed., *Country Competitiveness: Technology and the Organizing of Work* (New York: Oxford University Press, 1993); Porter (fn. 1); Robert Reich, *The Work of Nations* (New York: Random House, 1991); and Lester Thurow, *Head to Head: The Looming Economic Battle among Japan, Europe, and America* (New York: Morrow, 1991).

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levers that enabled public officials in different countries to shape market outcomes in different ways. This approach inscribed knowledge-bearing groups within an organizational approach to state and non-state actors.[4] The emphasis on organizational structure was largely a corrective to earlier pluralist approaches, which had conceptualized public policy as a simple resultant of shifting societal pressures.[5] In this sense, industrial policy was an important area for exploring the state's capacity to allocate resources preferentially to sectors that public officials expected to contribute disproportionately or "strategically" to the public interest.

This branch of institutionalist writing explicitly relied on German theorists, especially Otto Hintze and Max Weber, in arguing that economic change could be shaped as much by the institutions of bureaucracy as by class structure. For these writers, technical expertise was an important component of state power. As one proponent noted, the state's ability to retain "loyal and skilled officials" had long been counted among the "sinews of state power."[6] According to the editors of *Bringing the State Back In*, to arrive at a fuller understanding of state interventions, one needed "a better understanding of the historically evolved interrelations between states and 'knowledge-bearing occupations,' particularly the modern social science professions." To demonstrate state capacities, the editors recommended identifying "specific organizational structures the presence (or absence) of which seems critical to the ability of state authorities to undertake given tasks."[7] Partly because they were easier to document, priority was given to the structural, as opposed to the process or cognitive, characteristics of organizational life.

This approach was also applied to policy networks, which were seen as clusters of organizations linked by resource dependencies.[8] The cognitive and informal aspects of these networks were usually brought

[4] For important examples, see Peter Katzenstein, *Small States in World Markets: Industrial Policy in Europe* (Ithaca, N.Y.: Cornell University Press, 1985); Maurice Wright and Stephen Wilks, eds., *Comparative Government-Industry Relations: Western Europe, the United States, and Japan* (Oxford: Clarendon Press, 1987); John Zysman, *Government, Markets, and Growth: Financial Systems and the Politics of Industrial Change* (Ithaca, N.Y.: Cornell University Press, 1983).

[5] James P. March and Johan P. Olsen, "The New Institutionalism," *American Political Science Review* 78 (September 1984).

[6] Theda Skocpol, "Bringing the State Back In: Strategies of Analysis in Current Research," in Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, eds., *Bringing the State Back In* (New York: Cambridge University Press, 1985), 16.

[7] Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol, "On the Road toward a More Adequate Understanding of the State," in Evans, Rueschemeyer, and Skocpol (fn. 6), 351, 359.

[8] Important examples include Peter Katzenstein, "Conclusion," in Katzenstein, ed., *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978); William Atkinson and Michael Coleman, "Strong States and Weak States: Sectoral Policy Networks in Advanced Capitalist Economies," *British Journal of Political Science* 19 (January

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into the analysis as contextual, causally subordinate factors.[9] The ability of private organizations to mobilize expertise was recognized. But little attention was given to the role of expert groups or any other trans-organizational associations that might animate such policy networks.

The emphasis on the organizational characteristics of a policy network has made for difficulties in explaining state capacities. First, as is now well known, state capacities cannot be inferred directly from the structural characteristics of the state alone. State power clearly varies across sectors, and even highly centralized states must rely on external networks in important cases.[10] Second, structural analysis tends to omit those aspects of the policy process that explain the links (or gaps) between policy formulation and policy implementation. Several studies have shown that bargaining and securing consent are central to the state's ability to implement policies in areas ranging from environmental regulation to energy sourcing.[11] Third, and most important, a narrow focus on the structural characteristics of organizations cannot explain the adaptation of policy over time. Organizational structures impose constraints on the actions of state and nonstate actors, but the motives that lead to action in the first place also need to be specified.

The motivations of policymakers were more directly addressed in a very different literature, which focused on comparative elites. According to the early-twentieth-century theorists, especially Mosca and Pareto, the politics of contending elites was more important for the fate of modern societies than either the expansion of mass democracy stressed by liberals or the economic and technological changes stressed by Marxists.[12] Their ambivalence toward parliamentary democracy meant that the elite theorists were not widely read in the postwar years. Largely because of the work of Talcott Parsons, however, elites came to

1989); and Stephen Wilks and Maurice Wright, "Conclusion: Comparing Government-Industry Relations: States, Sectors, and Networks," in Wright and Wilks (fn. 4). This literature is reviewed in R. A. W. Rhodes, "Policy Networks: A British Perspective," *Journal of Theoretical Policies* 2, no. 3 (1990); and Patrick Kenis and Volker Schneider, "Policy Networks and Policy Analysis: Scrutinizing a New Analytical Toolbox," in Bernd Marin and Renate Mayntz, eds., *Policy Networks: Empirical Evidence and Theoretical Considerations* (Frankfurt: Campus, 1991).

[9] For such informal links, see Peter Katzenstein, "Small Nations in an Open International Economy," in Evans, Rueschemeyer, and Skocpol (fn. 6), 233, 243; and Wilks and Wright (fn. 8), 284ff.

[10] Atkinson and Coleman (fn. 8); Wilks and Wright (fn. 8); and Harvey B. Feigenbaum, *The Politics of Public Enterprise* (Princeton: Princeton University Press, 1985).

[11] See David Vogel, *National Styles of Regulation: Environmental Policy in Great Britain and the United States* (Ithaca, N.Y.: Cornell University Press, 1986), esp. 284; and Richard J. Samuels, *The Business of the Japanese: State Energy Markets in Comparative and Historical Perspective* (Ithaca, N.Y.: Cornell University Press, 1987).

[12] The literature on elites is critically reviewed in Tom B. Bottomore, *Elites and Society*, 2d ed. (New York: Basic Books, 1964), esp. chaps. 1, 3; and Robert D. Putnam, *The Comparative Study of Political Elites* (Englewood Cliffs, N.J.: Prentice-Hall, 1976).

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be seen as important for the varied functions they performed in complex societies.[13] This view identified the integration of functional elites as essential to political stability in the emerging democracies.[14]

Subsequent research showed, however, that the political role of elites could not be explained in functional terms alone. The beliefs of political elites varied substantially across countries at similar levels of social and economic development. Moreover, the political power of elites depended at least as much on their institutional positions as on their family background or their social values.[15] In these accounts, the links between elites derived from political strategies for preserving group influence rather than from a uniform process of functional integration. More recent literature has further illuminated the political links between expert groups, viewing them either as epistemic communities involved in international policy coordination or as more traditional schools involved in macroeconomic policy.[16]

In its examination of patterns of industrial change, this article seeks to broaden the scope of institutional analysis by joining insights from the tradition of elite analysis with insights from the neo-Weberian branch of organizational analysis. The links between different expert groups are central to any society's institutional landscape, but these links are not determined by the organizational structure of those institutions alone. Elite relations are continually redefined in terms of the ideas that elites can mobilize to defend their positions. As institutional sociologists have pointed out, the ideas that help expert groups gain positions of organizational control at one historical juncture become "institutionalized myths" to which an organization's action must subsequently conform.[17] In the language of March and Olsen, institutions are shaped by a "logic of appropriateness," as well as a "logic of consequentiality."[18] The ability of any group to mold the ideational justifica-

[13] For example, Suzanne Keller, *Beyond the Ruling Class: Strategic Elites in Modern Society* (New York: Random House, 1963).

[14] Seymour Martin Lipset and Aldo Solari, eds., *Elites in Latin America* (New York: Oxford University Press, 1967). See also Putnam (fn. 12), chap. 5.

[15] Robert D. Putnam, *Beliefs of Politicians: Ideology, Conflict, and Democracy in Britain and Italy* (New Haven: Yale University Press, 1973); Ezra Suleiman, *Elites in French Society: The Politics of Survival* (Princeton University Press, 1978), esp. 9–10.

[16] See the essays in Peter M. Haas, ed., *International Organization* 46 (Winter 1992); and Peter A. Hall, ed., *The Political Power of Economic Ideas: Keynesianism across Nations* (Princeton: Princeton University Press, 1989).

[17] John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony," in Walter W. Powell and Paul J. DiMaggio, eds., *The New Institutionalism in Organizational Analysis* (Chicago: University of Chicago Press, 1991).

[18] James March and Johan Olsen, *Rediscovering Institutions: The Organizational Basis of Politics* (New York: Free Press, 1989), 160ff.

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tions in its repertoire to the available organizational levers is one of the questions that makes politics historically contingent. This contingency is every bit as significant for the elites involved in making technology policy as it is for groups involved in other spheres of politics.

Elements of the Argument

As technological change has assumed growing significance in explanations of economic growth, it has also gained in political appeal. Political leaders seize upon technology because it offers a more attractive response to international competition than shedding jobs or investing in long-term educational reforms with slim electoral payoffs. In justifying or implementing public programs for industrial technology, however, politicians are powerfully constrained by the division of labor among knowledge-bearing elites.

Outcomes: Categories of Technology Policy

This article focuses on state efforts to bolster competitive performance by promoting technological advance. Technology policies necessarily involve the transfer of public funds to firms, trade associations, research institutes, and other intermediary organizations. But it is not solely this allocation of resources that makes technology policies distinctive. They are also differentiated by the way the state defines their goals, their recipients, and the conditions under which they operate. One of the most useful ways of categorizing technology policies is to separate those that are "mission-oriented" and those that are "diffusion-oriented," a distinction developed by Henry Ergas.[19] Although these terms refer to policy goals, they are also useful for arriving at analytic explanations because the instruments devised to achieve these objectives are produced by highly characteristic policy processes.

Mission-oriented policies entail large-scale efforts to create specific technologies needed by the state to pursue a specific public mission. Such policies are typically defense related, although they can also be found in the health, energy, or transportation infrastructure. They are usually initiated by the state; they are formulated by a small group of public officials who receive advice from a small group of nonstate ex-

[19] Ergas, "Does Technology Policy Matter?" in Bruce R. Guile and Harvey Brooks, *Technology and Global Industry: Companies and Nations in the World Economy* (Washington, D.C.: National Academy Press, 1987).

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perts; and they allow those public officials great discretion in deciding which particular firms and technologies to support.

Diffusion-oriented policies aim at disseminating capabilities throughout the economy. They often provide consulting or training services, information resources, incentives for collaborative research, and small-grant programs to help firms master new generic technologies. They can be initiated either by nonstate actors or by state agencies; they are formulated through discussion with a broad range of interested parties, including public officials, industry representatives, labor, and professional associations; and they are implemented by intermediary institutions that distribute resources to broad classes of recipients rather than to only a few firms selected by officials in the central administrations.

Explanations: The Use of Knowledge as a Policy Resource

Technology policies depend on different types of knowledge—scientific learning, applied science and engineering, technical expertise, and practical know-how. Because these several types of knowledge are carried by occupational groups, however, they cannot be allocated and reallocated like material resources.[20] These groups have distinct occupational identities and particular avenues of access to the policy process and therefore shape public policies in patterned ways.

The identities of these groups and their access to political power are the product of historical processes by which knowledge-bearing elites emerged as recognized "professions." And indeed the formation of the expert professions has been a central topic in postwar sociology. According to Talcott Parsons, the professions occupied a critical place in all complex societies. In his words, the professions provided "the institutional framework in which many of our most important social functions are carried on, notably the pursuit of science and liberal learning

[20] The term "occupational group" is central to Emile Durkheim's work, where it refers to groups of individuals who perform similar activities in the division of labor, but whose traditional capacity for "corporative" organization was lost in nineteenth-century France through industrialization and the replacement of town-based commerce by national markets. See Durkheim, *Durkheim on Politics and the State*, ed. Anthony Giddens and trans. W. D. Hall (Cambridge: Polity, 1986), 73–77. Among the important contributions on Germany's craft occupations that have been informed by the Durkheimian perspective, see especially Charles F. Sabel, *Work and Politics: The Division of Labor in Industry* (New York: Cambridge University Press, 1982); and Wolfgang Streeck, *Social Institutions and Economic Performance: Studies of Industrial Relations in Advanced Capitalist Economies* (London: Sage, 1992). For the related concept of occupational prestige, see Harry B. G. Ganzeboom, Paul M. De Graaf, and Donald J. Trieman, "A Standard International Socio-Economic Index of Occupational Status," *Social Science Research* 21 (March 1992); and Ken Prandy, "The Revised Cambridge Scale of Occupations," *Sociology* 24 (November 1990).

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and its practical application in medicine, technology, law and teaching."[21] One implication was that occupational prestige hierarchies were "invariant in all complex societies,"[22] meaning that because all societies followed the same path of differentiation, particular occupations were granted the same degree of authority in all societies at the same stage of development.

More recent studies have shown that these prestige hierarchies reflect specific historical experiences rather than following a universal pattern of development.[23] Knowledge-bearing groups compete with one another to advance their claims for jurisdiction over particular tasks. While all expert groups pass through similar phases in attaining professional status, the timing and scope of jurisdiction gained by different groups is not dictated by any formula.[24] On the contrary, the prestige and the legitimacy accorded to professional groups are inseparable from complex histories of intergroup competition and institution building in which bargains with political authorities often play a major role. According to Magali Larson, these histories represent a particular group's "professionalization project."[25]

The drive for recognition entails a mix of material advancement, organizational autonomy, and social prestige. This mix of goals makes it difficult to illuminate the political role played by the professions if the lens is focused only on the structural links among organizations. Everett Hughes, whose view of the professions emphasized the interplay of mandate and trust, also pointed to the normative basis of professional authority in questions of public policy.

> Every profession considers itself the proper body to set the terms in which some aspect of society, life or nature is to be thought of, and to define the general lines, or even the details, of public policy concerning it.[26]

In this view, prestige as much as organizational autonomy or material position is a resource to be used by professional groups in maintaining their role in public affairs.

[21] Parsons, "The Professions and Social Structure," quoted in Magali Sarfatti Larson, *The Rise of Professionalism* (Berkeley: University of California Press, 1977), xiii.

[22] Donald J. Treiman, *Occupational Prestige in Comparative Perspective* (New York: Academic Press, 1977).

[23] See Rolf Torstendahl and Michael Burrage, eds., *The Formation of Professions: Knowledge, State and Strategy* (London: Sage, 1990); and Michael Burrage and Rolf Torstendahl, eds., *Professions in Theory and History: Rethinking the Study of the Professions* (London: Sage, 1990).

[24] Andrew Abbott, *The System of Professions: An Essay on the Division of Expert Labor* (Chicago: University of Chicago Press, 1988). See also John Van Maanen and Stephen R. Barley, "Occupational Communities: Culture and Control in Organizations," *Research in Organizational Behavior* 6 (1984).

[25] Larson (fn. 21), esp. 50ff.

[26] Hughes, "Professions," *Daedalus* (Fall 1963), 657.

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Since there is no abstract logic that dictates the trajectory of a professionalization project, the balance of power and prestige attached to a particular occupation can vary significantly across countries. The knowledge-bearing occupations in continental Europe were discernibly more reliant on state authorities in their pursuit of professional status than were their British or American counterparts.[27] While the British and American professions sought to maintain their autonomy and to achieve exclusive license to provide their services, similar groups in Central Europe were either incorporated into the state bureaucracy or had to trade some of their autonomy for recognition from the state and the increased social prestige that accompanied such recognition. For France and Germany, one result of these distinctive histories is that the English word "profession" has no good translation—suggesting that the term "knowledge-bearing occupation" comes closer to analytic neutrality.[28]

Because of these different historical experiences, scientific learning and technical expertise are distributed very differently across the occupational maps of different societies. For the policies examined in this paper, engineers are the central group. Their position on an occupational map is described along two dimensions. First, the degree to which the state itself defines the engineering profession has broad implications for the political access as well as the autonomy enjoyed by engineers. Second, the distance between engineers and other knowledge-bearing groups in the occupational hierarchy has implications for the vertical flows of information between different groups involved in technological change. The differences along these dimensions are well illustrated by France and Germany.

The Argument

Since the occupational identities of expert groups are rooted in their relationship to political authority, they are shaped in important ways by each country's particular history of state formation. France is notable as a case where engineers quickly became central in a system of "state-created elites."[29] In 1794, shortly after the Revolution, the new

[27] Jürgen Kocka, "'Bürgertum' and the Professions in the Nineteenth Century," and other essays, in Torstendahl and Burrage (fn. 23). See also Charles E. McClelland, *The German Experience of Professionalization: Modern Learned Professions and Their Organizations from the Early Nineteenth Century to the Hitler Era* (New York: Cambridge University Press, 1991).

[28] The French *profession* and German *Beruf* both translate as occupation, whereas the German *freie Berufe* refers specifically to self-employed rather than salaried specialists. These issues are discussed in McClelland (fn. 27), 15–16; and Kocka (fn. 27).

[29] This term is from Suleiman (fn. 15). See also Terry Shinn, "Reactionary Technologists: The

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Ecole Polytechnique started training military officers and became the prototype for the *grandes écoles* that trained French civil servants in the nineteenth and twentieth centuries. By prohibiting guilds and occupational associations through the *loi le Chapelier* of 1791, the Constituent Assembly ensured that the self-image of the knowledge-bearing occupations would be stamped primarily by their training in state-run schools and careers in public administrative services. Despite the social and political changes of the nineteenth century, there was remarkable continuity. The educational system was one area where, even after the Second World War, the older attitudes "reigned supreme."[30] The pattern of centralized gatekeeping was extended in 1945, with the establishment of the Ecole Nationale d'Administration (l'ENA) to train civil servants with specialties outside the natural or engineering sciences.

A second characteristic of France's occupational structure was a deep gulf separating the elite engineers from other technical occupations. For most of the period following the Second World War French educational hierarchies allowed only limited opportunity for people to continue their education once they had entered the workforce. Thus, skilled workers and technicians had little chance of gaining additional credentials. Technicians could, with sufficient seniority and internal promotion, sometimes become in-house engineers (*ingénieurs maisons*), but their knowledge tended to be plant specific and their career trajectories were entirely different from the graduates of the elite engineering schools, the *ingénieurs diplomés*. This highly stratified educational system led in turn to a highly stratified career hierarchy for technically trained personnel.[31]

If France's social investment in science and technology supported a cohesive group of state-created elites, Germany's included a broader group of technical occupations that were certified but not created by the state. In the German case, engineers enjoyed neither the access to state power nor the social prestige that their French counterparts had gained by the early nineteenth century. For one thing, Germany's educated middle classes (*Bildungsbürgertum*) valued humanism and classi-

Struggle over the Ecole Polytechnique, 1880-1914," *Minerva* 22 (Autumn 1984); and Peter Lundgreen, "Engineering Education in Europe and the U.S.A., 1750–1930: The Rise to Dominance of School Culture and the Engineering Professions," *Annals of Science* 47 (January 1990).

[30] Stanley Hoffmann, "Paradoxes of the French Political Community," in Hoffmann, *In Search of France* (Cambridge: Harvard University Press, 1963), 73.

[31] On French occupational hierarchies, see Michel Crozier, *The Bureaucratic Phenomenon* (Chicago: University of Chicago Press, 1965); Marc Maurice, François Sellier, and Jean-Jacques Silvestre, *The Social Foundations of Industrial Power: A Comparison of France and Germany*, trans. A. Goldhammer (Cambridge: MIT Press, 1982, 1986); and Stephen Crawford, *Technical Workers in an Advanced Society: The Work, Careers and Politics of French Engineers* (New York: Cambridge University Press, 1989).

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cal learning over technical prowess. More important, the sequence of industrialization and state building accorded German engineers a much less vaunted status than that accorded their French counterparts. Since heavy industrialization began in Germany before the creation of a unified state, German engineers established a base in private industry. Given their roots in the private sector, the engineers sought public recognition by addressing the problems of Germany's growing industrial economy. A typical issue on which they pressed their claim to competence was the regulation of steam boilers—or the so-called *Dampfkesselkontrollfrage*. Through such debates, the goals of industrial safety and reliability became central to the identity of the emerging profession. With the formation of the German Engineering Association (*Verein Deutscher Ingenieure*, VDI) in 1856, the German engineers further advanced their position by fighting to control technical education and to gain protected status for the title, "engineer."[32]

As German engineers gradually won public recognition, they remained part of an occupational hierarchy characterized by much stronger links between distinct occupations than was found in France. Since German technical universities had pronounced regional ties, even the best-known schools such as Aachen or Munich or Berlin could not generate as cohesive an elite as the French *grandes écoles*. Basic and middle-level training in Germany's "dual system" also differed dramatically from that in France. The critical importance of intermediary institutions for training emerged through the bargains struck among industry groups and public agencies in the nineteenth century.[33] In the twentieth century the curricula (particularly the articulation of workplace training and classroom work) were laboriously negotiated at the local level by the firms and schools, while the standard requirements for certification were approved at the regional and federal level by representatives of employers and trade unions. Owing to such arrangements, Germany's institutions for technical training and education have provided a finely graded spectrum of practical and theoretical competences. These competences in turn comprise an oc-

[32] Peter Lundgreen, "Die Vertretung technischer Expertise 'im Interesse der gesamten Industrie Deutschlands' durch den VDI 1856 bis 1890," and other essays in Karl Heinz Ludwig, ed., *Technik, Ingenieure und Gesellschaft: Geschichte des Vereins Deutscher Ingenieure, 1856–1981* (Düsseldorf: VDI-Verlag, 1981). See also the essays in Werner Conze and Jürgen Kocka, eds., *Bildungsbürgertum im 19. Jahrhundert: Bildungssystem und Professionalisierung in international Vergleichen* (Stuttgart: Klett-Cotta, 1985); Geoffrey Cocks and Konrad H. Jarausch, eds., *German Professions, 1800–1950* (New York: Oxford University Press, 1990); and Mary L. Nolan, *Visions of Modernity: American Business and the Modernization of Germany* (New York: Oxford University Press, 1994).

[33] Jürgen Schriewer, "Intermediäre Instanzen, Selbstverwaltung und berufliche Ausbildungsstrukturen im historischen Vergleich," *Zeitschrift für Pädagogik* 32, no. 1 (1986).

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cupational hierarchy that is much more tightly linked, or organic, than the sharply stratified hierarchy of technical occupations in France.[34] The organic links between occupational groups have become one of the most widely examined contextual factors shaping industrial strategies and developments in Germany.[35]

These dimensions extract narrow elements from the complex histories of the technical elites in advanced societies, but they have significant consequences for the policies that can be formulated and implemented in different countries. France's system of state-created elites gave the engineering elite direct access to the policy process, but it also created sharp distinctions between the top engineers and other occupational groups in industry. Germany's system of state-recognized occupations did not give engineers privileged access to the state, but it fostered much stronger links between highly trained engineers and the other technical occupations. The consequences of these very different occupational maps were well illustrated in the telecommunications and machine-tool industries.

Cases

Technology policies aim to solve problems that are inherently characterized by sector-specific circumstances. In practice, however, national patterns in technology promotion show great persistence: public officials tend to apply similar recipes across sectors regardless of whether those recipes are appropriate.

The two industries compared here—telecommunications switching equipment and computer-controlled machine tools—display dramatic variations in these sector-specific conditions. Given their importance, it is not surprising that public agencies in both France and Germany launched ambitious programs to promote technological advance in both sectors. Nevertheless, the policy experiences of the two countries were almost precisely inverse to one another. Public officials transformed the French telephone system through an exemplary case of mission-oriented policy, but they failed to find instruments to ameliorate the technological backwardness of the machine-tool sector. And whereas German officials had difficulty promoting the desired changes

[34] Arndt Sorge and Wolfgang Streeck, "Industrial Relations and Technical Change: The Case for an Extended Perspective," in Richard Hyman and Wolfgang Streeck, eds., *New Technology and Industrial Relations* (Oxford: Blackwell, 1988).

[35] Important examples include Sabel (fn. 20); Michael Piore and Charles Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (New York: Basic Books, 1984).

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in telecommunications switching technology, they assembled a remarkably successful bundle of policies for encouraging technological change in the critical machine-tool sector. In both countries, the contours of policy were decisively shaped by relations among technical and administrative elites.

Telecommunications Switching Equipment

In both France and Germany the telecommunications sector was a natural candidate for mission-oriented policy approaches. Telephone service was provided by public administrations in both countries. In the 1970s the PTT in France and the Deutsche Bundespost in Germany sought to introduce new, digital switching exchanges. The technology in question was a large, lumpy investment good that was necessary for fulfilling an important public mission. The PTT and the Bundespost, which were both granted great autonomy to pursue the mission, adopted very different approaches for promoting digital technologies in the public telephone system.

TELECOMMUNICATIONS: FRANCE

Telecommunications emerged as a priority sector in France during preparations for the Seventh Plan, which was to run from 1975 to 1981. Earlier national plans had focused on heavy industries and export promotion, leaving the country's phone system in urgent need of attention.[36] Although left to the cabinet appointed by Giscard d'Estaing in 1974, the telecommunications plan became an exemplary case of the Gaullist *grand projet*. The state, that is, conducted research and development in a public research installation, financed development of a commercial prototype, and provided a market through public procurement. By the time this recipe was to be applied to telecommunications in the 1970s, it had already been successful with nuclear power technologies, oil exploration, aerospace, and rail transport.

A key element in these large-scale projects was the specialist civil servant with sufficient technical competence to monitor and link the various phases. Critics charged that the elite civil servants, or *grands corps*, formed a closed network whose primary resource was political access rather than genuine expertise. To be sure, the *grands corps* in the central ministries were not likely to succeed in their large-scale technology plans unless they could rely on other specialists with more spe-

[36] Sources for this account include Catherine Bertho, *Télégraphes et téléphones: de Valmy au microprocesseur* (Paris: Livres de Poche, 1982); and Elie Cohen, *Le Colbertisme "High Tech": Economie des télécommunications et du grand projet* (Paris: Hachette, 1992).

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cific capabilities that would be needed to implement the programs. This implementation of the massive effort to upgrade the telephone system was assured by the *corps des ingénieurs des télécommunications*. The group was, ironically, not usually included among the *grands corps* in the 1970s, even though it was quickly emerging as one of the few administrative corps that actually delivered the technical expertise that the *grands corps* were supposed to provide.

The *ingénieurs des télécommunications* coalesced in the early twentieth century, using research as a lever to advance the Direction Générale des Télécommunications, or DGT (the predecessor of France Telecom), within the PTT.[37] Their base was strengthened in 1944 by the founding of a federation of laboratories known as the Centre National d'Etudes des Télécommunications (CNET). In 1970 a group of younger engineers articulated a new mix of entrepreneurialism and dirigiste solutions in a pseudonymous analysis of France's "crise du téléphone." By arguing that efficiency and performance could best be achieved through technical mastery, the authors highlighted the role of the *ingénieurs des télécommunications* in developing the public infrastructure. At the same time, they attacked the bureaucratic inertia of the PTT's administrative corps and agitated for the kind of massive investments that indeed would be approved only a few years later.[38]

In the course of their research at the CNET, the *ingénieurs des télécommunications* initiated the early work on fully electronic phone exchanges. A prototype known as the *Projet Platon* (the Plato Project) was developed at a CNET laboratory in Brittany. When installed as the model E-10 in 1970, it was the first fully electronic switch to be used anywhere in the world in a public operating network.[39]

Through their positions within the DGT, the *ingénieurs des télécommunications* were able to match the state's procurement policies to the rapidly changing technical options developed in the public laboratories. As of 1976 fully electronic switches were viewed as esoteric products that might never become widely installed, with the result that the French state's commercial strategy favored the Thomson company, which had been asked to develop two semielectronic switching ex-

[37] For the *ingénieurs des télécommunications*, see Thierry Vedel, "Les ingénieurs des télécommunications," *Culture technique* 12 (March 1984); Bertho (fn. 36), 453ff. For most of this century the full name of the French PTT—which combined postal, telegraph, and telephone administrations—was Postes, Télégraphes et Téléphones. Details are provided in Louis-Joseph Libois, *Genèse et croissance des télécommunications* (Paris: Masson, 1983), 196, 202.

[38] Rugès, *Le téléphone pour tous* (Paris: du Seuil, 1970).

[39] Libois (fn. 37).

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changes.[40] In 1977, however, a conference in Atlanta, Georgia, showed that component costs had declined enough to give fully electronic switches superior cost-performance characteristics. Accordingly, the DGT shifted its commercial strategy to fully electronic designs, a change that caused severe problems for Thomson, because it had no experience with the fully electronic switches. Suddenly the DGT expanded orders for the E-10 switch, the development of which had been assigned to a group of *ingénieurs des télécommunications* working for Alcatel. As a result, Thomson was forced out of the telecommunications sector, and Alcatel went on to become one of the world's premier suppliers of digital telephone exchanges.[41]

TELECOMMUNICATIONS: GERMANY

In organizational structure, the Deutsche Bundespost was remarkably similar to the French PTT in the 1960s. It faced the same challenges in the area of digital switching technology that the French faced. The policy responses were, however, quite different. In the German case, the balance of technical expertise clearly lay with the private sector, and the Bundespost officials lacked the sense of technological vision and esprit found among the elite French engineers.[42]

Like other engineers in Germany, the communications engineers had developed their base in industry. Nevertheless, they did not reject the principle of state authority. On the contrary, the German Engineering Association lobbied to have the state's authority devolved to its own committees for resolving technical disputes. At the Siemens company, salaried engineers explicitly adopted the civil servant as their model. As the term *Beamter* came to be reserved for public officials in the course of the nineteenth century, employees at Siemens and other large firms came to be known as *Privatbeamter*, "private civil servants."[43]

[40] With semielectronic switches control and billing functions were controlled by computers, and contact between parties was still made by miniature physical relays. With fully electronic switches the contact function is also effected by computer, but voice signals are transmitted as digitized bit streams.

[41] For French telecommunications in the 1970s and 1980s, see J. Nicholas Ziegler, "The State and Technological Advance: Public Efforts for Industrial Change in France and the Federal Republic of Germany, 1972–1986" (Ph.D. diss., Harvard University, 1989); as well as Alan Cawson, Peter Holmes, and Anne Stevens, "The Interaction between Firms and the State in France: The Telecommunications and Consumer Electronics Sectors," in Wright and Wilks (fn. 4).

[42] For German telecommunications, see Ziegler (fn. 41); Alan Cawson et al., *Hostile Brothers: Competition and Closure in the European Electronics Industry* (Oxford: Clarendon Press, 1990); and Raymund Werle, *Telekommunikation in der Bundesrepublik: Expansion, Differenzierung, Transformation* (Frankfurt: Campus, 1990).

[43] Jürgen Kocka, *Unternehmensverwaltung und Angestelltenschaft am Beispiel Siemens, 1847–1914* (Stuttgart: Ernst Klett, 1969), 148–92.

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In the twentieth century technical competence gravitated to the communications laboratory established by Siemens in Berlin.[44] Soon thereafter the Imperial Technical Telegraph Bureau (Telegraphentechnisches Reichsamt) accepted the Siemens designs as its standard, provided that Siemens made its patents available to other suppliers.[45] With this policy of uniform standards (*Einheitstechnik*) the German state relied on procedural authority rather than on its own technical expertise to control the procurement process. By requiring Siemens to license all approved technologies to alternative suppliers, the state avoided a bilateral relationship that would have deepened its technical dependence on a single firm.

The technological limitations of the Bundespost were similar to those of its prewar predecessor, the Reichspost. The activities of the Central Office for Long-Distance Technology (Fernmeldetechnisches Zentralamt, FTZ) in Darmstadt, which employed about two thousand persons by the 1980s, were, however, very different from those of the CNET in France. The mission of the FTZ did not include product development. Instead it planned equipment changes and evaluated prototypes developed by industrial suppliers, and these other tasks, in turn, drove its applied research agenda.[46]

Although the Bundespost chose Siemens designs for its first two postwar equipment renovations, the microelectronics transformation of the 1970s upset the received pattern. In 1967 Siemens had begun work on a semielectronic switch known as the EWS (*Elektronisches Wählsystem*). Owing to progress in microelectronics, however, the EWS had to be redesigned almost continually to incorporate changing component technologies. Changes in technology caused even more problems in confirming and updating uniform standards among the different suppliers. As one official complained, once the Bundespost accepted a design, the FTZ "intrudes down to the 'last screw' in the development process itself and expects custom-tailored technical systems from the firms."[47]

Further problems arose when it became clear at the Atlanta conference of 1977 that non-German purchasers would soon be demanding fully electronic switching exchanges. At this point, Siemens began tak-

[44] Georg Siemens, *Geschichte des Hauses Siemens* (Munich: Karl Alber, 1952), 3:38ff.

[45] Karl-Heinz Loesche and Dieter Leuthold, *DeTeWe Chronik: Technisch-historisch Betrachtung des Firmengeschehens* (Berlin: Deutsche Telephonwerke und Kabelindustrie, 1970), 131, 199 n. 72.

[46] Deutsche Bundespost, *Geschäftsbericht* (1982, 1983, 1984); Walter Niopek, *Innovationsverhalten öffentlicher Unternehmen: Determinanten, Typen und Funktionen* (Baden-Baden: Nomos, 1986), 179, 181.

[47] Bundespost memorandum, quoted in Barbara Mettler-Meibom, *Breitband technologie: über die Chancen sozialer Vernunft in technologiepolitischen Entscheidungsprozessen* (Opladen: Westdeutscher Verlag, 1986), 301; translation by author.

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ing it cues from the international market. It began work on fully electronic technologies but was plagued by continuing problems with the EWS switch. In 1979 the EWS was finally abandoned, and the Bundespost announced that it would evaluate prototypes for fully electronic switches in 1981. In the end, the Bundespost solicited bids for digital switches, but the route to that point was much longer than the one taken by the French *ingénieurs des télécommunications*.[48]

Machine Tools

The goal of technological advance posed a very different challenge in the machine-tool sector. This sector, a natural candidate for diffusion-oriented policies in both France and Germany, consisted of numerous, geographically dispersed specialist producers. The challenge was to help these traditional firms master microelectronics and outfit their products with the software controllers that were replacing manual guidance in many machine-tool operations. The capital requirements were within the means of both countries, and the technologies were in many cases relatively well known. The policy problem was to make these generic technologies available to smaller firms so that they could adapt them for particular products and customers.

MACHINE TOOLS: FRANCE

There were repeated efforts to support machine-tool producers in France between 1975 and 1985.[49] Sectoral plans were elaborated under the Giscard government and then expanded when the Socialist Party took power under François Mitterrand in 1981. They all involved a combination of the following instruments:[50]

> —preferential loans with which small manufacturing firms could purchase computer numerically controlled tools
>
> —public procurement plans, through which machine-tool users or public agencies were encouraged to purchase advanced tools

[48] Author interview with former official of the Bundespost, Bonn, November 1988. See also "Schwarzer Freitag in München: die Entwicklung des elektronischen Wählsystems für das Telephon muß gestoppt werden," *Die Zeit*, February 2, 1979; "Die Post ist frei," *Die Zeit*, March 2, 1979.

[49] French policies toward this sector are analyzed in Ziegler (fn. 41). For the sector's performance, see Marc Maurice and Arndt Sorge, "Dynamique industrielle et capacité d'innovation de l'industrie de la machine-outil en France et en RFA: Analyse sociétale des rapports entre 'espace de qualification' et 'espace industriel'" (Aix-en-Provence: LEST, January 1989); and Burkart Lutz and Pierre Veltz, "Maschinenbauer versus Informatiker," in Klaus Düll and Burkart Lutz, eds., *Technikentwicklung und Arbeitsteilung im internationalen Vergleich* (Frankfurt and New York: Campus, 1989).

[50] Author interviews with former officials from the Ministry of Industry, Paris, December 1988. See also *Le Monde*, January 13, 1976; *Nouvel Economiste* 297 (August 3, 1981), 28–29; *Le Monde*, December 3, 1981, p. 1; *l'Usine nouvelle*, December 3, 1981, pp. 66–68; and *l'Usine nouvelle*, December 10, 1981, pp. 82–83.

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—regional research centers outside Paris and in the eastern steel region near St.-Etienne

—"growth" contracts with individual firms that agreed to use new technologies in exchange for capital grants

—financial restructuring for failing firms to encourage greater concentration in the industry

In practice, only the last two instruments—growth contracts and financial restructuring—had much effect. These were the familiar instruments of bilateral policies used by French officials. In his classic work, Andrew Shonfield mentioned the "80-20 rule," which held that effective planning was only feasible in industries where 80 percent of the output came from 20 percent of the firms. The machine-tool sector clearly deviated from the rule. As Shonfield noted, many planners felt that nothing would help these sectors more "than the demise of a lot of small businesses and the emergence of a few dominant large ones."[51]

These preferences for central coordination were extended to technology promotion in the 1970s and 1980s. The government assembled a bundle of instruments to assist the machine-tool sector in 1976. By 1979, however, the bankruptcy of the leading Ratier-Forest group led to a characteristic reorientation of policy. Two very different views of the automation process emerged within the government.[52] One group, known as the *mécaniciens*, advocated a bottom-up or piecemeal approach to automation, which would allow separate machine tools to be linked together gradually. Another group, known as the *électroniciens*, favored a top-down approach, in which machine tools and robots were peripheral equipment within a centralized computer system. The *électroniciens* prevailed in 1981, when a new director in the Ministry of Industry channeled resources to advanced manufacturing centers at large user firms such as Renault and Peugeot. Although the new emphasis did much to help some of France's large manufacturers, it did little to help the machine-tool producers themselves. Several of the country's oldest tool makers—Dufour, Ernault-Somua, Graffenstaden, and Liné—suffered mounting losses. Employment in the industry declined from twenty-seven thousand to twenty thousand between 1974 and 1980.[53]

After Mitterrand's election in 1981, the Socialist Party announced a new *Plan Machine-Outil*. The policy instruments were remarkably

[51] Andrew Shonfield, *Modern Capitalism* (London: Oxford University Press, 1965), 138.

[52] This debate within the Comité d'Orientation des Industries Stratégiques (CODIS) is recounted in Pierre Dacier, Jean-Louis Levet, and Jean-Claude Tourret, *Les dossiers noirs de l'industrie française* (Paris: Fayard, 1985), 345–54, an account by individuals involved in subsequent policy-making.

[53] *Le Monde*, December 2, 1980; *l'Usine nouvelle*, January 29, 1981, p. 52; *l'Usine nouvelle*, June 25, 1981, p. 38.

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similar to those announced six years earlier by the Giscardiens. The intention, for example, was to bolster intermediate training and promote cooperative research. The main difference, however, lay in the increased funds allocated to the sector (2.2 billion francs over three years).[54]

In practice, the instruments of financial restructuring again took precedence. As the Liné group, a leader in heavy machinery, neared insolvency, the Ministry of Industry recruited several nationalized manufacturing firms to form a *pôle* called Machines Françaises Lourdes (MFL). Through 1982 officials at the DIMME (Direction des Industries Métallurgiques, Mécaniques et Electriques) spent much of their time planning similar mergers, often between weak firms that had been long-standing rivals. Although they based their decisions on reports from the Paris bureaus of prestigious American firms including Boston Consulting Group and Telesis, they had trouble convincing industry participants. One skeptical industrialist commented, "I can hardly see how one forms fruitful enterprises by marrying cadavers."[55]

The industry's continuing problems prompted another policy reassessment. Under Minister of Industry and Research Jean-Pierre Chevènement, the new orientation again envisioned radical technological achievements that would integrate electronics, capital goods, and manufacturing industries. Designated the *Plan Productique*, this policy encouraged firms to undertake pilot projects with automated machine tools.[56] The plan's ambitious technology goals left little room for firm-level training or human-resource development. Union spokesmen criticized the plan for ignoring the existing qualifications of machine operators.[57] Officials noted that purchasing new machines through the Education Ministry had limited value, because so few of the teachers knew how to use them.[58]

The problems that confronted the Socialists and the Giscardiens were clearly rooted in the weakness of the French mechanical engineering and metalworking occupations. Mechanical engineering gained in status when the Ecole Centrale des Arts et Métiers was founded in 1829, but the occupation never achieved the same status or

[54] For instruments and projected disbursements, see "Machine-outil: une industrie refaçonnée," *l'Usine nouvelle*, December 10, 1981.

[55] Unidentified observer quoted in *l'Usine nouvelle*, June 10, 1982, p. 147: "Si les dépôts de bilan et les liquidations de biens se poursuivent, je vois mal comment on constituera des entreprises fécondes en mariant des cadavres."

[56] Eric Le Boucher, "La Crise de la machine-outil française," *Le Monde*, June 11, 1983.

[57] François Beaujolin, *Vouloir l'industrie: pratique syndicale et politique industrielle* (Paris: Editions ouvrières, 1982), 152.

[58] Dacier, Levet, and Tourret (fn. 52), 343.

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access to policy circles as the "state engineers" from Ponts et Chaussées or Ecole des Mines.[59] In addition, machine operators and technicians were mostly trained on the job in plant-specific skills. Such training limited their mobility, as well as their ability to assimilate new skills and capabilities.[60] In short, the occupations pertinent to the machine-tool sector—mechanical engineers and skilled machinists—were precisely those that were subordinated and marginalized in the hierarchy of France's state-created elites.

The stark separation between the "state engineers" and the mechanical engineers hampered policy efforts to gather detailed information on the problems of the manufacturing sector. As participant-observers remarked:

> French engineers preferred in the 1970s to join the ranks of the computer or electronics firms, or to make the jump into management positions. This disaffection for production, which touched an entire generation and which has probably not entirely disappeared, explained the current dearth of competent persons in this field.[61]

Given these preferences among engineering graduates, the strong networks that underpinned the state's ties to other industrial sectors could not be easily replicated in mechanical engineering.

To be sure, French machine-tool firms were also weakened by their small size and traditional business practices,[62] but even the larger firms with more "modern" management suffered from gaps between the various occupational groups that had the essential skills. The distinctions among engineers were exacerbated by the gap between software specialists and skilled machine-tool builders. These were the theoretical and practical skills needed in order to adapt computer numerical control (CNC) technology for the traditional machine-tool producers.

Although France's main CNC producer (a company called la Société NUM) was very successful, its software capabilities did little to help the broader industry. In the 1980s NUM spent 2.5 percent of its payroll—twice the legal minimum—for generic workforce training.[63] In addi-

[59] James M. Edmonson, *From Mécanicien to Ingénieur: Technical Education and the Machine Building Industry in Nineteenth-Century France* (New York: Garland, 1987).

[60] Maurice, Sellier, and Silvestre (fn. 31).

[61] Dacier, Levet, and Tourret (fn. 52), 342; translation by author.

[62] This view is given in Maurice and Sorge (fn. 49), who document the discontinuities in France's skill base for metalworking but emphasize the mismatch between France's largely "artisanal" machine-tool producers and their Taylorist customers. For an analysis that stresses the skill deficit, see Lutz and Veltz (fn. 49).

[63] Author interview with personnel director, Société NUM, Nanterre, December 1988. This figure compares favorably with the legal minimum (1.1%), the average for mechanical engineering (1.26%), and the average for all French business (1.83%), according to Groupe de Stratégie Industrielle, no. 11,

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tion, NUM's business was well suited to France's dirigiste policy instruments. Since the state encouraged large users of machine tools to purchase software controllers from NUM, the company was able to increase its market share within France steadily. At the same time, NUM also increased its proportion of revenues from sales to non-French producers from 8 percent in 1981 to approximately 30 percent in 1987.[64] As large French industrial users increasingly purchased their machine tools from non-French suppliers, NUM managed to adapt its CNC technology for the foreign machine-tool builders at least as quickly as for its French customers.[65] Ironically, the French state was able to pull NUM into business relations with many of Europe's most sophisticated machine-tool producers but had trouble fostering similar links between NUM and the smaller, more traditional machine-tool producers within France.

NUM's experience showed clearly that the difficulties between French machine-tool producers and their customers centered on the software knowledge in which NUM specialized. The gaps between software writers and machine-tool manufacturers made it nearly impossible for public officials to identify, much less bring together, employees with the skills that might have helped the smaller machine-tool firms to incorporate microelectronics into their products. Given these limitations, when policymakers in Paris encountered difficulties implementing their plans, they had few incentives to experiment and tended instead to cling ever more tenaciously to familiar policy instruments such as industrial concentration and capital-intensive pilot projects.

MACHINE TOOLS: GERMANY

Like their French counterparts, German officials also sought to support the machine-tool sector between 1975 and 1985. At that time German producers were among the world leaders in output and export shares. Thus, in 1975 the sector employed approximately one hundred thousand as compared with twenty-seven thousand in France. Since the machine-tool makers were essential to the country's entire metalworking complex, their ability to adjust to the changing conditions of the 1970s and 1980s was a critical issue for German policymakers.

Nonetheless, German officials tended to design incentive-setting frameworks, which differed from France's discrete "plans" in several

"De la mécanique traditionelle à la productique" (Paris: Commmissariat Général du Plan, April 1983).

[64] Revenues and exports from *l'Usine nouvelle*, March 26, 1981; *l'Usine nouvelle*, June 10, 1982; and information supplied by NUM.

[65] On NUM's relations with Swiss and German firms, see especially *Les Echos*, December 14, 1981; and *NC Fertigung* (July 1988), 70ff.

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ways. Instead of focusing on bilateral discussions with firms, the German officials implemented most of their programs through intermediary organizations. Rather than seeking mergers among the smaller firms, German policymakers designed programs specifically for the needs of small and medium-size enterprises. Finally, instead of aiming only at spectacular new technologies of automation, the German policies fostered several pathways by which firms might automate.[66]

Policy for the machine-tool sector emerged amid a larger debate on the state's role in industrial development. The proponents of *Ordnungspolitik* prescribed an important but limited role for the state in maintaining proper framework conditions (*Rahmenbedingungen*) for healthy competition. The proponents of *Strukturpolitik* argued that the state needed to promote positive adjustment strategies by supporting particular firms and sectors through designated technology projects.[67]

In practice, policy for machine tools reflected an uneasy compromise between these views. In line with the principles of *Strukturpolitik*, the Federal Ministry for Research and Technology (Bundesministerium für Forschung und Technologie, BMFT) provided grants to Germany's major machine-tool firms during the 1970s. Later in the 1970s civil servants in the ministry also devised a set of instruments that came to be known as "indirect-specific measures," which were quickly showcased when the Christian-Liberal coalition took power in 1982.[68] Despite their infelicitous name, these measures effectively combined the priorities of *Ordnungspolitik* and *Strukturpolitik*. To avoid overturning market signals, they required that recipient firms finance 50 percent of that proposed development program. In addition, grants were capped at relatively modest levels (between 400,000 DM and 800,000 DM) to discourage firms from altering their own investment plans too dramatically. The measures were specific in that they provided funds for precisely defined generic technologies. They were indirect in that special external agencies administered them.

[66] This account is extracted from Ziegler (fn. 41). Additional sources on the German machine-tool sector include Hartmut Hirsch-Kreinsen, "Technische Entwicklungslinien und ihre Konsequenzen für die Arbeitsgestaltung," in Hirsch-Kreinsen and Rainer Schultz-Wild, eds., *Rechnerintegrierte Produktion* (New York: Campus, 1986); Lutz and Veltz (fn. 49); and Gary Herrigel, "Industrial Order and the Politics of Industrial Change: Mechanical Engineering," in Peter Katzenstein, ed., *Industry and Politics in West Germany: Toward the Third Republic* (Ithaca, N. Y.: Cornell University Press, 1989).

[67] For *Strukturpolitik*, see Volker Hauff and Fritz Scharpf, *Technologiepolitik als Strukturpolitik* (Frankfurt: Europäische Verlagsanstalt, 1975); BMFT, *Bundesbericht Forschung VI* (Bonn: BMFT, 1979), 15–16; and *Wirtschaftswoche* (March 14, 1980).

[68] *Osnabrücker Zeitung*, October 22, 1982; BMFT brochure, *Neuorientierung der Forschungs- und Technologiepolitik* (Bonn: BMFT, 1984). For further analysis of these developments, see Andreas Stucke, *Institutionalisierung der forschungspolitik: Entstehung, Entwicklung und Steuerungsprobleme des Bundesforschungsministeriums* (Frankfurt: Campus, 1993), esp. 171, 173.

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The indirect-specific measures were complemented by a series of cooperative research projects (*Verbundforschung*), which linked a number of firms and research institutes in joint research efforts promoted by the Research Ministry. Like the indirect-specific measures, the cooperative research projects (*Verbundprojekte*) represented a carefully designed new policy instrument that aimed at making know-how available to a number of participating actors.[69] For disseminating new generic technologies more broadly throughout the economy, the indirect-specific measures were the primary intended instrument.

The indirect aspect of the programs had several advantages. By relying on external, nongovernmental agencies (*Trägerorganisationen*), the ministry could reach out to smaller enterprises that were not accustomed to applying for federal grants. The implementing organizations themselves became important repositories of highly specific knowledge about the problems faced by firms in mastering the designated technologies. One of the most important was a new Technology Center in Berlin (the VDI-Technologiezentrum), established under the auspices of the German Engineering Association (VDI). Others included the research bureau within the industry association for mechanical engineering (Verein Deutscher Maschinen- und Anlagebau, VDMA) and the Cooperative of Industrial Research Associations (Arbeitsgemeinschaft industrieller Forschungsvereinigungen, AIF). The metalworkers union and the Fraunhofer institutes were not implementing organizations per se, but they were frequently consulted on the guidelines for the indirect-specific programs.

The indirect-specific measures effectively encouraged smaller firms to experiment with microelectronics in their products and production processes. The first such program, entitled Application of Microelectronics, was initiated in 1979 and budgeted at 450 million DM for the three years from 1981 through 1983. It gave rise to additional programs in production technologies (*Programme Fertigungstechnik*), sensor technology (*Mikroperipherik*), and micromachine systems (*Mikrosystemtechnik*).[70]

Rather than the repeated reassessments and recentralizations of pol-

[69] For an analysis of this program and component projects, see Susanne Lütz, *Die Steuerung industrieller Forschungskooperation: Funktionsweise und Erfolgsbedingungen des staatlichen Förderinstrumentes Verbundforschung* (Frankfurt: Campus, 1993).

[70] For the pilot program on the application of microelectronics, see BMFT, program brochures; and Heinrich Revermann, ed., *Wirkungsanalyse zum "Sonderprogramm Anwendung der Mikroelektronik"* (Haar bei München: Markt & Technik, 1986). For the other programs, see BMFT brochures; Lütz (fn. 68), 46–47; and Oliver Pfirrmann, "The Diffusion of Microsystem Technologies: The Case of the German Innovation Support Programme 'Microsystem Technology,'" *Research Evaluation* 2 (April 1992).

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icy that occurred in France, German policies displayed a steady refinement of the indirect-specific programs that complemented the joint projects administered directly from Bonn. A condition for this incremental change was the broad range of interlocutors involved in policy formulation. German administrative law required that the Research Ministry consult industry associations and organized labor while legislation was being drafted. When German officials brought engineers and other academic experts into their policy discussions, however, they were also following customary professional norms by recognizing the particular types of knowledge possessed by different groups outside the state.

The norms of consultation meant that German policies accommodated diverse strategies. One highly significant example concerned factory automation. The advocates of centralized automation were based at the Fraunhofer Institute in Berlin; they were supported by larger engineering firms and tended to assign control functions in the workplace to white-collar computer programmers. A stepwise approach for decentralized automation was elaborated at the Fraunhofer Institute in Stuttgart. This approach proved more congenial to small firms that could not afford the risks of one-shot automation, and it relied more heavily on skilled machinists who were able to work with a changing mix of mechanical and computerized machines.[71] By illuminating the varied circumstances to which computer-assisted technologies could be adapted, the debate itself reflected the strengths of German policies. In France the *électroniciens* had triumphed decisively over the policy perspectives offered by the *mécaniciens*. In Germany official policy effectively supported a range of alternative strategies for applying new technologies to industrial problems.

It is impossible to say whether the machine-tool industry's successful adjustment rested more on federal policies or more on the industry's intrinsic strengths. It is indisputable, however, that the German policies did not cause the same kind of dramatic decline that occurred in France. As a share of world output, Germany's machine-tool production declined from 17.76 percent in 1975 to 14.75 percent in 1985; French production fell in the same period from 4.97 percent to 2.07

[71] The German debate on computer-integrated manufacturing can be traced in T. Martin, E. Ulich, and Hans-Jürgen Warnecke, "Angemessene Automation für flexible Fertigung," *Werkstattechnik* 78 (1988), 17–23, 119–222; Rainer Schultz-Wild, "An der Schwelle zur Rechnerintegration," *VDI-Z* 130 (September 1988), 40–45; Wolfgang Weber, "CNC Steuerungen für qualifizierte Facharbeit," *Technische Rundschau* 28 (1988), 14–18; and other sources cited in Ziegler (fn. 41).

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percent of world output. Meanwhile, German employment in the machine-tool sector fell roughly 14 percent, from 102,000 in 1975 to 88,000 in 1985; French employment fell by over 55 percent over the same period, from 26,859 to 12,050.[72]

The ability of German policymakers to disseminate microelectronics technologies hinged on the relationships among occupational groups. Mechanical engineers and skilled machinists were critical to the machine-tool sector. In France both of these occupational groups were separated from the central administrative elite by well-nigh insuperable barriers. Mechanical engineers were trained in practical skills that conferred much less status in France than did the abstract, mathematical training of the state engineers in the public administration. Skilled machinists were represented strictly by French labor organizations; they had few ties to engineers of any kind and enjoyed virtually no access to policy discussions. The rigidities and impermeable distinctions that separated these groups weighed heavily against the efforts of French policymakers to promote technological change in the machine-tool sector.

In Germany the corresponding groups enjoyed more deliberate and communicative relations with policymakers. Mechanical engineers dominated the German Engineering Association. Although they did not have the same access to public positions as the elite French engineers had, they were recognized as Germany's main repository of knowledge on questions of industrial performance. Skilled machinists were represented by the metalworkers union, IG Metall, which was an accepted participant in policy discussions. Owing to the possibilities for advancement through continuing education, the machinists also had closer relations with engineers than their French counterparts had. To be sure, in Germany as in France these groups were separated by hierarchical distinctions. But the distinctions were qualitatively different. In Germany the divisions were more permeable and the links more organic. Different occupations adhered to conventions that required mutual recognition of their respective areas of competence. The norms of competence and consultation that informed Germany's occupational hierarchy were a key factor in the ability of policymakers to implement policies for boosting technological levels in the machine-tool sector.

[72] Figures from the National Machine Tool Builders Association, *Economic Handbook* (various years).

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Conclusion

These cases indicate that cross-sector and cross-national variation in the state's capacity to promote technological advance cannot both be explained without examining relations among knowledge-bearing occupations. The relations between policymaking elites and technical occupations are particularly important because they help determine whether policies, once formulated, can actually be implemented.

In countries where technical expertise is concentrated among a group of state-created elites, public policy makers are predisposed to formulate mission-oriented strategies for promoting technological change. The distribution of expertise in such countries may also be well suited to implementing mission-oriented policies, particularly if the linkages between state and nonstate experts are close. French policy toward telecommunications in the 1980s exemplified such conditions.

Countries with state-created technical elites have no advantage, however, in formulating diffusion-oriented policies. Moreover, if the occupational prestige hierarchy is highly stratified, it will seriously inhibit the implementation of diffusion-oriented policies—and further discourage policymakers from attempting such policies in future initiatives. French efforts to support the machine-tool sector exemplify these conditions.

Countries in which technical expertise is embodied in state-recognized occupational groups are not likely to formulate mission-oriented strategies. Civil servants trained in procedural disciplines will be predisposed toward regulatory instruments of policy and may be poorly qualified to monitor mission-oriented projects. German efforts to promote the development of digital switches exemplified these conditions.

If countries with state-recognized occupations are disadvantaged in the formulation of mission-oriented policies, however, they may be well suited for implementing diffusion-oriented policies. If such occupations are linked through organic and continuously graded occupational hierarchies, they can serve as powerful instruments for the transfer of new technologies among firms. The apparently successful policies that Germany assembled for the machine-tool industry relied heavily on such conditions.

There are two possible limits to these conclusions: their generalizability across countries and their temporal specificity. The cases examined here clearly do not capture the full variation observable in the way occupational elites are defined in all countries. It is sometimes noted,

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for instance, that white-collar workers in Japan have little identity apart from the organizations for which they work, creating an organizationally bounded norm for professional status.[73] In the United States, by contrast, the professions are said to be "self-regulating," and there appears to be more occupational effervescence in the sense of new groups claiming "professional" status.[74] In this sense, France and Germany represent extreme cases of state-created and state-recognized elites.

To understand the temporal limits to these conclusions, one must ask whether categories produced by four cases from the 1980s remain useful for analyzing patterns of industrial change in the 1990s. As French and German policymakers respond to pressures for more open markets, one would expect inherited links between administrative and technical elites to weaken. If market mechanisms are gaining sway over product markets, why should they not affect recruitment and openness in expert labor markets?

Despite such limits to their generalizability, the cases surveyed here nevertheless establish categories that illuminate critical and neglected aspects of public strategies for technological advance. In this sense, they produce the unmistakable benefits of ideal-typical analysis. The categories of dependence on state legitimation and organic versus stratified links clearly describe independent characteristics of occupational hierarchies. For instance, an institutional framework supporting state-created elites need not necessarily imply a stratified occupational prestige hierarchy as it does in France. In a country where state-created elites presided over a more organic hierarchy among occupations, policymakers would be predisposed to formulate mission-oriented policy strategies but they would be able to draw on extensive societal resources in implementing diffusion-oriented policies. Such conditions appear to describe important policy areas in Japan. The role of Japanese civil servants in mission-oriented policies is well known.[75] Yet the diffusion of new technologies provides rich evidence for the pivotal

[73] For examples among electrical engineers, see Eleanor Westney and Kiyonori Sakakibari, "Designing the Designers: Computer R & D in the United States and Japan," *Technology Review* 89 (April 1986).

[74] Bonalyn J. Nelsen and Stephen R. Barley, *The Social Negotiation of a Recognized Occupational Identity*, Working Paper (Philadelphia: National Center for the Educational Quality of the Workforce, University of Pennsylvania, 1993). See also Harold Wilensky, "The Professionalization of Everyone?" *American Journal of Sociology* 70 (September 1964).

[75] Chalmers Johnson, *MITI and the Japanese Miracle: The Growth of Industrial Policy* (Stanford: Stanford University Press, 1982).

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role of professional ties in grassroots efforts to achieve quality and process improvements among Japanese firms.[76]

Similarly, there is no logical or transhistorical reason that countries with state-recognized professional groups need be organized into organic occupational hierarchies. In a country where more autonomous professional elites sat atop a stratified occupational prestige hierarchy, policymakers would shy away from mission-oriented technology policies, but they would suffer from poor information and scattered societal resources in implementing policies to diffuse new technologies. Such conditions clearly describe the United States, where federal officials have rarely welcomed explicit industrial policy and where efforts at skill development and technology diffusion have been left to a welter of uncoordinated experiments at the state and local levels.[77]

Regarding changes over time, there is no doubt that the links between occupational groups are evolving, but there is little evidence that they are weakening or diminishing in political salience. Telecommunications is the sector where European efforts toward market liberalization have most clearly undermined the formal discretion of national governments.[78] Even as Brussels forces national PTTs to open their markets, however, the PTTs are relying more and more on knowledge resources to maintain their bargaining leverage over foreign as well as domestic firms. In France the general move toward privatization has led many elite civil servants to move into the private sector at a younger age, but it has not changed the underlying recruitment and cohesion of the French administrative corps.[79] In telecommunications, France Telecom has become much more sparing in sharing technical information with its traditional suppliers such as Alcatel.[80] In impor-

[76] The important role of the Japanese Union of Scientists and Engineers in disseminating quality and process improvements among Japanese firms is discussed in Robert Cole, *Strategies for Learning: Small-Group Activities in American, Japanese, and Swedish Industry* (Berkeley: University of California Press, 1989), chap. 13, pp. 301–3. For the importance of professional ties in diffusing Japanese aerospace technologies, see Richard J. Samuels, *"Rich Nation, Strong Army": National Security and the Technological Transformation of Japan* (Ithaca, N.Y.: Cornell University Press, 1994).

[77] For example, David Osborne, *Laboratories of Democracy: A New Breed of Governor Creates Models for National Growth* (Boston: Harvard Business School Press, 1988); and Stephen Hamilton, *Apprenticeship for Adulthood* (New York: Free Press, 1990).

[78] Wayne Sandholtz, "Institutions and Collective Action: The New Telecommunications in Western Europe," *World Politics* 45 (January 1993); Philipp Genschel and Raymund Werle, "From National Hierarchies to International Standardization: Model Change in the Governance of Telecommunications," *Journal of Public Policy* 13 (July–September 1993).

[79] Ezra Suleiman, "Change and Stability in French Elites," in Gregory Flynn, ed., *The New France in the New Europe* (Boulder, Colo.: Westview, forthcoming).

[80] Author interview, Alcatel, N.V., Division of Research and Technology, Paris, July 1992. See also Razeen Sally, "Alcatel's Relations with the French State: The Political Economy of a Multinational Enterprise," *Communications et Stratégies* 9 (1993).

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tant new areas of technology, however, the flow of technical information is still dominated by the *ingénieurs des télécommunications* who work for France Telecom and the national laboratories.[81] In Germany the Bundespost had not traditionally had the technical resources available to France Telecom through the CNET, but policymakers increasingly came to recognize the value of such resources. Indeed, the move toward market liberalization was accompanied by efforts to expand the capabilities of the central laboratory in Darmstadt.[82]

The machine-tool sector, characterized by continuing turmoil in the 1990s, also displays the joint evolution of organizational structures and occupational relations. Although the federal government in Germany has consistently eschewed direct interventions on behalf of struggling firms, Länder governments in North Rhine Westphalia and Bavaria have increasingly provided direct aid.[83] Beneath such changes in publicly allocated resources, the links between occupational groups have remained critical to this industry. According to close observers of the sector, the organic links between Germany's occupational hierarchies have increasingly turned into sources of blockage as specialist groups struggle for shop-floor jurisdiction over new tasks.[84] Ironically, even as the virtues of the German production model have faded, French policymakers have tried to bolster the country's reservoir of production skills by consciously imitating German examples in vocational training and regional technology bureaus. In 1991, when Edith Cresson became prime minister, fascination with Germany's dual system of vocational training guided a high-profile effort to reform the French law on apprenticeships.[85] Far from weakening inherited links between administrative and technical elites, pressures for market deregulation have just as often led public officials to build on existing knowledge resources as a strategy for enhancing competitiveness.

These emerging tendencies show that the links between occupa-

[81] Author interview, France Telecom, Service des Télécommunications de l'Image, Paris, July 1992.

[82] These efforts led to an extensive comparison of R and D resources compiled by the Bundespost's internal analytic institute. See Hariolf Grupp and Thomas Schnoering, eds., *U.S.A., Japan, Frankreich, und Großbritannien: Forschung und Entwicklung für die Telecommunikation—Internationaler Vergleich mit Zehn Ländern*, vol. 1 (Berlin: Springer, 1990). I thank Edgar Grande for directing me to this source.

[83] Jürgen Salz, "Große Koalition für Maschinenbauer: Bundesländer und Landesbanken helfen einer bedrohten Branche," *VDI-Nachrichten* (May 20, 1994), 9.

[84] Horst Kern and Charles F. Sabel, "Verblaßte Tugenden: zur Krise des deutschen Produktionsmodells," in *Soziale Welt*, special issue entitled, "Umbrüche Gesellschaftlicher Arbeit" (forthcoming).

[85] Alain Lebaube, "Le gouvernement prépare la réforme de l'apprentissage: filière française et modèle allemand," *Le Monde*, June 4, 1991; Lucie Tanguy, *Quelle formation pour les ouvriers et les employés en France* (Paris: Documentation française, 1991); M. Möbus and E. Verdier, "Le système de formation professionelle en République Fédérale d'Allemagne," *Collection des études* 61 (Paris: CEREQ Institute, February 1992).

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tional groups are far from fixed. While they do not predict all significant variations in public strategies for technological advance, these links are central to a broader—and increasingly visible—politics of competence. This politics of competence includes both the relations among occupational groups and the governance structures that public agencies impose upon other organizations in order to push knowledge into the public sphere.[86] As such, the politics of competence can be grasped only through a broadened view of institutions that includes the vision and self-images of occupational groups, as well as the organizations in which they work.

This broadened view helps to clarify a number of outstanding issues in comparative politics. The cases examined here show that occupational identities and networks rank among the most distinctive institutional characteristics of advanced societies. Occupational identities rest on jurisdictional claims that elites are reluctant to jeopardize, while occupational networks help shape the information pathways by which state and nonstate actors communicate. Substantive analysis of such identities and networks can explain why policymakers in different countries apply characteristic policy approaches, even when those approaches are clearly inappropriate to the specific challenges at hand.

These findings are particularly relevant to policy areas where there is high uncertainty and where implementation hinges on both abstract and practical knowledge. The model of professional networks may become more generally salient, however, for several reasons. As hierarchical forms of organization give way to more flexible forms, the interpersonal links fostered by professional affinities begin to rival organizationally programmed contacts and routines.[87] From management's perspective, the professional network is an attractive model for inspiring the trust and loyalty of employees who are expected to exercise discretion without being subjected to much oversight.[88] Such a model can only appear increasingly attractive to firms that, amidst restructuring, can no longer assure their employees job security. These developments in turn render the internal politics of professional groups more salient, as received recipes for the macroeconomic management of employ-

[86] This concept is developed further in J. Nicholas Ziegler, "Governance and Knowledge: Political Strategies for Technological Advance in France and Germany" (Manuscript, 1995).

[87] On the relative salience of interpersonal and interorganizational networks, see Walter Powell, "Neither Market nor Hierarchy: Network Forms of Organization," *Research in Organizational Behavior* 12 (1990); and Renate Mayntz, "Modernization and the Logic of Interorganizational Networks," *Knowledge and Policy: The International Journal of Knowledge Transfer and Utilization* 6 (Spring 1993).

[88] Rosabeth Moss Kanter, *When Giants Learn to Dance: Mastering the Challenge of Strategy, Management, and Careers in the 1990s* (New York: Simon and Schuster, 1989).

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ment and investment give way to firm- and industry-level recipes for competitive performance.

While especially useful in explaining why some policy approaches persist, the politics of competence also illuminates the conditions under which policy adaptation and learning can occur. Vertical as well as horizontal links are at issue. The vertical relations that link superordinate public agencies to private sector organizations can be facilitated by interpersonal ties that have the character of horizontal linkages between members of the same professional groups. But vertical links between members of different occupational groups are equally important. As shown in the cases compared here, misguided policies can be corrected only where the linkages among different levels in an occupational hierarchy can carry the information required for evaluating past policies and shaping future strategies.[89] If the first condition is satisfied, then particular knowledge-bearing groups that span state and nonstate organizations can act as the "transmission belts" that allow for policy learning.[90]

Nevertheless, there are limits to the ways by which professional formations can facilitate policy change. Occupational identities can evolve, but the scope for change is limited by the jurisdictional claims that occupational groups have established in connection with the important turning points in a society's history. Not only do claims to new or expanded jurisdictions have to be advanced through painstaking negotiations or incremental legitimation; these new claims also have to be compatible with the symbolic resources that an occupational group has invoked in the past.

At a theoretical level, this analysis therefore develops the view that group interests cannot be inferred directly from organizational structures.[91] If an occupational group has the status of a recognized profession, its members will perceive opportunities and form preferences partly from the standpoint of the organizations in which they work,

[89] For the general problem of policy feedback, see Paul Pierson, "When Effect Becomes Cause: Policy Feedback and Political Change," *World Politics* 45 (July 1993).

[90] For policy adaptation through social learning, see Peter A. Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain," *Comparative Politics* 25 (April 1993). For policy change through negotiation and coordination, see Fritz Scharpf, *Positive und negative Koordination in Verhandlungssystemen*, Discussion Paper 93/1 (Cologne: Max-Planck-Institut für Gesellschaftsforschung, 1993). For policy change through the evolution of sectoral governance structures, see Herbert Kitschelt, "Industrial Governance Structures, Innovation Strategies, and the Case of Japan: Sectoral or Cross-National Comparative Analysis?" *International Organization* 45 (Autumn 1991).

[91] Kathleen Thelen and Sven Steinmo, "Historical Institutionalism in Comparative Politics," in Sven Steinmo, Kathleen Thelen, and Frank Longstreth, eds., *Structuring Politics: Historical Institutionalism in Comparative Analysis* (New York: Cambridge University Press, 1992).

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but also partly from the standpoint of the larger transorganizational network of individuals to which they belong. Moreover, since such professional groups gain recognition by appealing to a symbolic conception of society's general interest, their collective self-images are formed in terms that cannot be inferred neatly from the position of their members in the organizational structures that constitute a political economy, no matter how complex those structures may be.

As long as knowledge-bearing elites are able to mobilize different kinds of political and symbolic resources in different countries, they will continue to sustain distinctive conventions for making policy and doing business. For these reasons, the quintessentially practical sphere of technology policy reminds us that public institutions are something more than a set of sanctions and incentives that shape strategic behaviors. They are also a set of identities and classifications that define and give meaning to complex communities of individuals.

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ASSESSING COMPETING DEFENSE POSTURES

The Strategic Implications of "Flexible Response"

By FRANK C. ZAGARE and D. MARC KILGOUR*

THE concept of *flexible response*, originally formulated by NATO, can be traced to the dissatisfaction of some strategic thinkers with the Eisenhower administration's New Look defense policy and its implementation in the doctrine of *massive retaliation*. Critics charged that New Look, stressing as it did "more bang for the buck," placed undue reliance on strategic weapons to deter Soviet aggression in Europe and elsewhere, leaving little room for maneuver during periods of acute crisis.[1] To avoid the stark choice of all-out nuclear war or capitulation, they proposed that United States conventional forces be strengthened and augmented with an arsenal of tactical nuclear weapons.

When the Democrats came to power in 1961, these changes were pursued under the policy labeled *flexible response*. After extensive debate and compromise, NATO formally adopted flexible response in 1967.[2] Today, even as it moves toward a new deployment policy reflecting recent dramatic changes in Eastern Europe and the former Soviet Union, NATO continues to maintain both a tactical and a strategic capability.

This is not to suggest that flexible response is a well-articulated policy. In fact, Daalder argues that NATO deployments have been "deliberately ambiguous" in order to mask "differences among the allies concerning the role and relative weight to be accorded to theater nuclear

* This material is based upon work supported by the National Science Foundation under Grant no. SES-9123219 to Frank C. Zagare. Any opinions, findings, and conclusions or recommendations expressed in this publication are those of the authors and do not necessarily reflect the views of the National Science Foundation. D. Marc Kilgour gratefully acknowledges the support of the Laurier Centre for Military Strategic and Disarmament Studies, the Laurier Research Professorship, the Natural Sciences and Engineering Research Council of Canada, and the Social Sciences and Humanities Research Council of Canada.

[1] William Kaufmann, "The Requirements of Deterrence," in Kaufmann, ed., *Military Policy and National Security* (Princeton: Princeton University Press, 1956).

[2] Jane E. Stromseth, *The Origins of Flexible Response: NATO's Debate over Strategy in the 1960s* (New York: St. Martin's, 1988).

World Politics 47 (April 1995), 373–417

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forces in support of [its extended deterrence] strategy."[3] Consequently, there are a number of competing defense postures, all of which claim consistency with NATO's loosely articulated declaratory policy.[4]

In this paper we model the strategic relationship implied when one state adopts a deployment policy—such as flexible response—that permits a range of *credible* responses to a probe or challenge. We then contrast this relationship with one that relies instead on strategic weapons and a more restricted set of response options associated with them. With this model we offer a new and explicit evaluation of rival flexible response policies, identifying when and how substrategic deployments make limited war possible and total war less—or more—likely. The goal ultimately is to gauge the policy implications of various mixes of tactical and strategic weapons.

One might object that the demise of the Warsaw Pact, the disintegration of the Soviet Union, and the consequent reorientation of NATO itself render the present model a historical curiosity. We think not. Our model is not limited to nuclear situations, nor are any restrictions placed on player preferences that confine its empirical domain to the superpower relationship. In fact, as we argue below, the model is applicable to any situation, nuclear or otherwise, in which the players believe that certain response options are qualitatively different from others and that the choice of these options involves a serious escalation of the conflict. For instance, the model could apply to a relationship, such as Iran and Iraq's, in which chemical weapons play a role, or to a relationship like Greece and Turkey's, in which invasion is an enormous concern but only conventional weapons are realistically involved. Other examples abound.

I. Assumptions and Previous Research

To explore the strategic relationships implied by a flexible response deployment policy, we begin with the *Asymmetric Escalation Game*, a generic asymmetric two-stage escalation model, shown in Figure 1. In so doing, we assume that a status quo outcome (CC) exists, and that one player, *Challenger* (Ch), must decide (at Node 1) whether to cooperate (C) and accept it, taking no aggressive action, or to defect (D) and attempt to overturn it.[5] In this model Challenger could defect by pre-

[3] Ivo H. Daalder, *The Nature and Practice of Flexible Response: NATO Strategy and Theater Nuclear Forces since 1967* (New York: Columbia University Press, 1991), 2.

[4] Ibid., chap. 2.

[5] The motivation behind this model is discussed at length in Frank C. Zagare, "The Dynamics of

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cipitating a crisis, by launching a conventional military attack, or by taking some aggressive action other than a direct strategic nuclear assault.[6] Note that it is precisely this broad range of substrategic challenges that flexible response options are designed to prevent.

If Challenger supports the status quo, the game ends at CC and the payoffs to Challenger and the other player, *Defender* (Def), are (c_{CC},d_{CC}), respectively. (The notation for the players' payoffs at the other outcomes is similar.)

But if Challenger chooses to defect, Defender must select (at Node 2) one of three alternatives: concede (C) to Challenger's demand by doing nothing; defy (D) Challenger by responding in kind; or escalate (E) the conflict. Defender's choice of C ends the game (at outcome DC), while the choice of D or E leads to a second move for Challenger (Nodes 3a or 3b, respectively): either concede (C) by sticking with its prior action choice, thereby engaging Defender at a restrained level of conflict (outcome DD or DE), or escalate. If at the previous move Defender had selected D, escalation by Challenger provides Defender with an additional opportunity to concede (outcome ED) or (counter-) escalate (Node 4). As Figure 1 shows, the game ends if there is no challenge, or if some player backs down by choosing C, or as soon as both players escalate (outcome EE).[7]

Note that the Asymmetric Escalation Game provides an escalation model that applies to any situation in which the defender may decide to respond by crossing a threshold, thereby inducing a (psychologically) distinct level of conflict.[8] For example, the lower level of conflict

Escalation," *Information and Decision Technologies* 16, no. 3 (1990); idem, "NATO, Rational Escalation and Flexible Response," *Journal of Peace Research* 4 (November 1992); and Frank C. Zagare and D. Marc Kilgour, "Modeling 'Massive Retaliation,'" *Conflict Management and Peace Science* 13, no. 1 (1993).

[6] General deterrence relationships in which a challenger may contemplate a direct nuclear attack are modeled in D. Marc Kilgour and Frank C. Zagare, "Credibility, Uncertainty, and Deterrence," *American Journal of Political Science* 35 (May 1991); and Frank C. Zagare and D. Marc Kilgour, "Asymmetric Deterrence," *International Studies Quarterly* 37 (March 1993).

[7] As R. Harrison Wagner (personal communication, April 24, 1992) points out, we assume that the payoffs at outcome EE are the same, regardless of which player escalates first. We accept the point that players in the real world are likely to prefer escalating first. We make this assumption to gain mathematical tractability. Note its implications: Defender's expected payoffs at Node 2 when it chooses E are underrepresented (because it likely prefers the mutual escalation outcome associated with this choice to the mutual escalation outcome associated with the choice of D); it follows that its expected payoff from choosing (D) at Node 2 is overrepresented. The bias of the model, therefore, is toward overreporting the likelihood of a (Limited-Response) equilibrium that involves the possibility that Defender responds in kind to a challange. As we show below, however, even with this bias, the conditions under which such an equilibrium exists are quite restricted.

[8] In other words, we assume the choice of D is commensurate with Challenger's initiation at Node 1. Thus, at Node 2, Defender may defect by matching in scope and intensity the actions taken by Challenger to contest the status quo, or it may choose unconstrained actions, such as those associated with waging an all-out war, represented by the escalation alternative (E).

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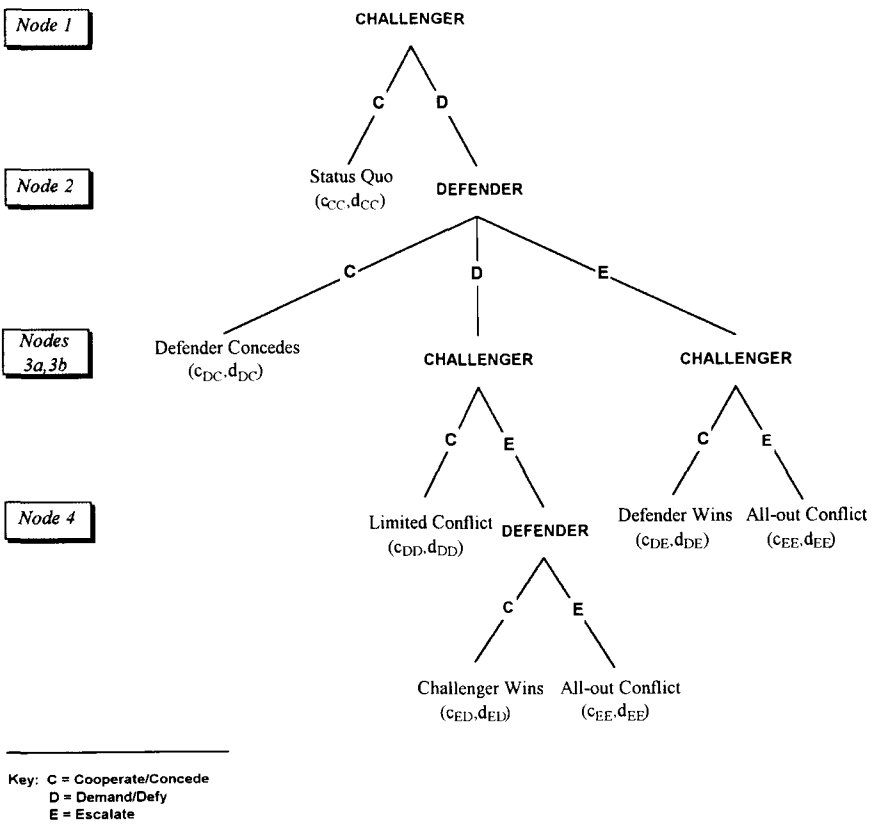

FIGURE 1
ASYMMETRIC ESCALATION GAME

could be thought of as conventional, and the higher as nuclear; or the distinction could rest on a perceived difference between tactical (theater) and strategic nuclear weapons; or there could be some other mutually understood boundary. The model applies whenever the two actors concur that there exists a saliency (in the sense of Schelling)[9] and that crossing this barrier—whether real or psychological—represents a serious escalation of the conflict. Like NATO's description and implementation of its flexible response deployment, then, the model is "deliberately ambiguous" about the nature of Defender's limited-response option.

In this context, it is important to point out that the sequence of

[9] Thomas C. Schelling, *The Strategy of Conflict* (Cambridge: Harvard University Press, 1960).

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choices we postulate can lead to two distinct *symmetric* conflict outcomes—limited conflict at outcome DD, and all-out conflict at outcome EE. This possibility distinguishes the Asymmetric Escalation Game from other game-theoretic models of interstate escalation, and it enables us to offer a more realistic assessment of the conditions associated with successful extended deterrence.[10] Our objective is to gain insight into the precise set of circumstances in which *substrategic* deployments make limited war possible and total war either more or less likely. Additional levels of deployment are possible but might reduce tractability without substantially improving verisimilitude, in view of the severely limited vocabulary of credible signals available to states.[11] Note that the model is not meant to apply to deterrence relationships in which high-level initiations are salient.[12]

Like most other recent attempts to model the escalation process, we postulate players with incomplete information. In our model, the principal source of uncertainty is each player's lack of information about the other's relative preference between certain critical outcomes that we identify below. We relate this uncertainty to the credibility of each player's final stage escalation threat. This connection allows us to explore the relationship between threat credibility and the dynamics of escalation; it also distinguishes our model from those models that postulate players who know each other's preferences but are uncertain about the consequences of their actions.[13] This approach, we believe, bypasses the credibility problem associated with thermonuclear war because it assumes that *all* endgame escalation threats run counter to the interests of the players and are imposed probabilistically by "nature."[14] Rather than prejudging the question, our model permits analysis of the strategic implications of any configuration of credible threats. This is not to say that we hold that nature plays no role in the way

[10] James D. Fearon's escalation model also has two stages. See Fearon, "Deterrence and the Spiral Model: The Role of Costly Signals in Crisis Bargaining" (Paper presented at the annual meeting of the American Political Science Association, San Francisco, August 30–September 2, 1990). At the first stage, each player is afforded an opportunity to increase its own cost of backing down and, possibly, its credibility; at the second stage, they decide whether or not to fight. Thus, while there are two stages to this model, there is but one *mutual* conflict outcome. For this reason, we view Fearon's conclusions as extending and complementing our own analysis of one-stage asymmetric deterrence games of incomplete information; see Zagare and Kilgour (fn. 6).

[11] George W. Downs and David Rocke, *Tacit Bargaining, Arms Races, and Arms Control* (Ann Arbor: University of Michigan Press, 1990), chaps. 1, 4.

[12] See fn. 6.

[13] Barry Nalebuff, "Brinkmanship and Nuclear Deterrence: The Neutrality of Escalation," *Conflict Management and Peace Science* 9 (Spring 1986); Robert Powell, *Nuclear Deterrence Theory: The Search for Credibility* (New York: Cambridge University Press, 1990).

[14] Frank C. Zagare, "Rationality and Deterrence," *World Politics* 42 (January 1990).

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conflicts evolve; rather, we assume that the risks associated with war and other conflict outcomes are reflected in the players' preferences. In other words, we ask what rational players do in the uncertain and risky environment characteristic of superpower crises.

To explore the strategic implications of a flexible response deployment policy, we make several assumptions about the preferences of the players. First, we assume that Challenger always strictly prefers DC to CC; that is, it prefers to initiate given that Defender does not respond. This assumption provides Challenger with an immediate incentive to upset the status quo.

Next, we assume that once conflict has been initiated, Defender prefers to respond in kind rather than capitulate (that is, prefers DD to DC). This assumption is consistent with the stated rationale of flexible response: to provide a defender with a *credible* substrategic response to a challenge.[15] Or as Helmut Schmidt put it in his argument for a strong conventional defense capability in Europe: "NATO must . . . have troops and weapons on a scale ample to make non-nuclear aggression appear hopeless, and sufficient in an emergency to force one of two courses on the aggressor—to halt or to extend the conflict."[16] Note that it is precisely this choice that Challenger faces at Node 3a after Defender chooses to respond in kind at Node 2.

Similarly, we assume that Defender prefers to escalate (that is, prefers DE to DD and therefore to DC), *provided that Challenger does not respond by also choosing E*. To be sure, this is a strong assumption. We make it, however, to explore those situations in which the incentive to escalate is strongest. As well, this premise is implicit in a massive retaliation or a flexible response deployment policy: under massive retaliation, it is plainly required; likewise, flexible response presents no genuine choice of responses without it. Under flexible response, the critical question is which response option Defender would choose in light of Challenger's capability to counterescalate. We consider this question below.

To model aversion to the costs and risks of conflict, we assume that each player prefers to gain the upper hand or, if it must, lose the advantage at the lowest possible level of conflict. Thus, for instance, Challenger prefers payoff DC to ED, and so does Defender. We further as-

[15] We believe the opposite assumption is consistent with a policy like massive retaliation that makes no provision for a credible conventional deterrent. For an analysis of this case, see Zagare and Kilgour (fn. 5). For the public justification of flexible response, see Robert S. McNamara, "Address at the Commencement Exercises" (Ann Arbor: University of Michigan, June 16, 1962).

[16] Helmut Schmidt, *Defense or Retaliation* (New York: Praeger, 1962), 211.

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sume that the status quo (CC) is the highest ranked outcome for Defender, and second only to unilateral defection (DC) for Challenger.

Taken together, these assumptions restrict the players' utilities as follows:

$$\text{Challenger: } c_{DC} > c_{CC} > c_{ED} > c_{DD} > [c_{EE} \text{ and } c_{DE}]$$
$$\text{Defender: } d_{CC} > d_{DE} > d_{DD} > d_{DC} > [d_{EE} \text{ and } d_{ED}]$$

where ">" means "is greater than." For now, we leave unspecified whether Challenger prefers EE or DE and whether Defender prefers EE or ED. Thus we make no fixed assumption about whether either player prefers ultimately to capitulate or to fight. This preference, we hold, depends on the stakes, the anticipated costs of war, and other factors. Our model, in fact, allows for two *types* of players: *Hard* players who prefer all-out war to capitulation at the final opportunity; and *Soft* players with the opposite preference.

Each player in our model is presumed to know its own and the other's utilities, except that the payoffs to Challenger and Defender at outcome EE (C_{EE} and D_{EE}) are binary random variables—denoted by upper-case letters—with known distributions; a player knows the realized value of only its own variable. More specifically, it is common knowledge that

$$C_{EE} = \begin{cases} c_{EE}^{+} \text{ with probability } p_{Ch} \\ c_{EE}^{-} \text{ with probability } 1 - p_{Ch} \end{cases}$$

$$D_{EE} = \begin{cases} d_{EE}^{+} \text{ with probability } p_{Def} \\ d_{EE}^{-} \text{ with probability } 1 - p_{Def} \end{cases}$$

where

$$c_{EE}^{+} > c_{DE} > c_{EE}^{-}$$
$$d_{EE}^{+} > d_{ED} > d_{EE}^{-}$$
$$0 < p_{Ch} < 1$$
$$0 < p_{Def} < 1.$$

This postulate affords each player probabilistic knowledge of the other's preference between capitulating and fighting at the highest level of conflict. In other words, in our model Defender {Challenger} will be seen by Challenger {Defender} to prefer EE to ED {DE} with probability p_{Def} {p_{Ch}} and to prefer ED {DE} to EE with probability $1 - p_{Def}$ {$1 - p_{Ch}$}. Thus, p_{Def} {$1 - p_{Def}$} and p_{Ch} {$1 - p_{Ch}$} are the probabilities that Defender and Challenger are perceived to be Hard {Soft}. Since these preferences determine whether the players can escalate ra-

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tionally to the highest level of conflict, these probabilities can be taken to measure the *credibilities* of their threats to do so. The higher p_{Ch} and p_{Def}, the more credible Challenger and Defender, respectively and conversely.[17]

II. Escalation and Incomplete Information

What are the effects of uncertainty on the escalation process when a defender's threat to respond in kind is inherently credible? What is the connection between the players' credibilities and the stability of the status quo when a defender adopts a flexible response deployment policy? How credible must each player's endgame threat be to deter escalation or retaliation? Under what conditions might a substrategic war be waged?

We address these questions with the Asymmetric Escalation Game (Figure 1), using backward induction to analyze Defender's choice at the last node (4). Node 4 is reached when Challenger upsets the status quo by choosing D, Defender responds in kind by also choosing D, and Challenger then escalates by choosing E. Defender's choice at Node 4 is easy to analyze, since Defender always knows its own preference between ED and EE and has no reason to conceal this preference. A Hard Defender, preferring EE to ED, always escalates, while a Soft Defender, with the opposite preference, concedes.

The same is true of Challenger's choice at the node reached (3b) after Challenger selects D and Defender escalates instead of responding in kind. If Challenger is Hard and prefers EE to DE, it will always counterescalate; if it is Soft, it will yield.

Because Challenger's and Defender's behavior at these nodes is strictly determined by their types, the only strategic decisions that require analysis are Challenger's Node 1 choice of C or D, its choice of C or E at Node 3a, and Defender's Node 2 choice of C, D, or E. Unlike the nodes already analyzed, these decisions can depend on the decision maker's beliefs about the opponent. We denote the probabilities of these choices as follows:

x_H = probability that a Hard Challenger initiates at Node 1
x_S = probability that a Soft Challenger initiates at Node 1
w_H = probability that a Hard Challenger escalates at Node 3a
w_S = probability that a Soft Challenger escalates at Node 3a

[17] Kilgour and Zagare (fn. 6).

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y_H = probability that a Hard Defender responds in kind at Node 2
y_S = probability that a Soft Defender responds in kind at Node 2
z_H = probability that a Hard Defender escalates at Node 2
z_S = probability that a Soft Defender escalates at Node 2

In a game of complete information (p_{Ch} and p_{Def} equal to either 0 or 1), the (*Nash*) *Equilibria* of the two-stage escalation model can be described by a vector of probabilities describing action choices (x_H,x_S, w_H,w_S; y_H,y_S,z_H,z_S). In a game of incomplete information, the natural extension of a Nash Equilibrium is a *Perfect Bayesian Equilibrium*. A Perfect Bayesian Equilibrium consists of a complete plan of action for each player (that is, a strategy) plus a set of beliefs for each player about the opponent's type (in our case, Hardness or Softness) such that at each stage a player acts to maximize its expected utility given its beliefs about its opponent's type, and it updates its beliefs about its opponent's type rationally, in terms of actions it has observed.[18]

Table 1 summarizes the action choices associated with each Perfect Bayesian Equilibrium of the game of Figure 1. Here we simply provide an informal characterization; the equilibria are more completely specified in the appendix. To facilitate the subsequent discussion, these equilibria are grouped into four major categories: Deterrence Equilibrium, No-Response Equilibrium (NRE), No-Limited-Response Equilibrium (NLRE), and Limited-Response Equilibrium (LRE).

Deterrence Equilibrium

A Deterrence Equilibrium of the two-stage escalation game is an equilibrium in which there is no initiation (that is, $x_H = x_S = 0$). Under a Deterrence Equilibrium, a Challenger—whether Hard or Soft—never defects and the status quo is never disturbed.

In the appendix the conditions under which a Deterrence Equilibrium (0,0,w_H,w_S; y_H,y_S,z_H,z_S) can exist are discussed. The Deterrence Equilibrium does not depend upon initial beliefs about the credibility of either Defender's or Challenger's threat to wage all-out conflict. Rather, a Deterrence Equilibrium will exist either if Defender plans to escalate at Node 2 with a high probability (whatever its type and whatever its perception of Challenger's type) or if Challenger (whatever its type or perception of Defender's type) plans to escalate at Node 3 with a small probability and Defender plans to respond in kind at Node 2 with a high probability. In other words, a Deterrence Equilibrium is

[18] Eric Rasmusen, *Games and Information* (New York: Blackwell, 1989).

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TABLE 1
PERFECT BAYESIAN EQUILIBRIA[a]

	Challenger Initiates		*Challenger Escalates*		*Defender Responds in Kind*		*Defender Escalates*	
	x_H	x_S	w_H	w_S	y_H	y_S	z_H	z_S
Deterrence Equilibrium	0	0	—	—	—	—	—	—
No-Response Equilibrium	1	1	—	—	0	0	0	0
Form I No-Limited-Response Equilibrium	1	1	—	—	0	0	1	0
Form II No-Limited Response Equilibrium	1	(·)	—	—	0	0	1	(·)
Form III No-Limited Response Equilibrium	1	(·)	—	—	0	0	(·)	0
No-First-Use Equilibrium	1	1	(·)	0	1	(·)	0	0
Warfighting Deterrence Equilibrium	1	(·)	(·)	0	(·)	(·)	(·)	0

[a] "(·)" = fixed value between 0 and 1; "—" = value not fixed, although some restrictions may apply.

possible if z_H and z_S are large enough, or if y_H and y_S are large enough and w_H and w_S are small enough.

Because the Deterrence Equilibrium is independent of any (initial) beliefs that either the Challenger or the Defender might have about the other's type, some might consider the beliefs associated with it difficult to justify. Note also that these beliefs concern events that are "off the equilibrium path"; that is, the beliefs are never tested when a Deterrence Equilibrium is in play.

The (likely) contents of the beliefs associated with the Deterrence Equilibrium are consistent with the view of deterrence that Bundy

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calls *existential deterrence*, namely, the position that the very existence of nuclear weapons and the fear they almost surely instill in decision makers assures a stable international system and the continuation of what Gaddis calls "the Long Peace."[19] For example, it is consistent with the existence of a Deterrence Equilibrium for Challenger to decide not to defect (at Node 1), either because it believes that Defender will likely escalate (at Node 2), or because, expecting Defender to respond in kind (at Node 2) and fearing escalation at Node 4, it intends not to escalate at Node 3a.

It is noteworthy that these two belief sets correspond roughly to the two distinct deployment strategies Daalder associates with existential deterrence: *pure deterrence* and *conventional deterrence*.[20]

Pure deterrence is independent of any specific deployment strategy and indeed is inconsistent with the very notion of flexible response as it is commonly understood.[21] Pure deterrence theorists deny the existence of clear thresholds in war. In this view, any overt conflict makes escalation to the highest rung of the ladder almost inevitable (that is, z_H and z_S are high). It is precisely the inevitability of escalation that serves to deter any potential challenger. Consequently, the careful calibration of conventional and tactical nuclear forces to deter an attack is futile.

By contrast, advocates of a conventional deterrence deployment policy aim to avoid the instability associated with the "stability-instability paradox," namely, the increased potential for substrategic conflict implied by a strategic stalemate.[22] In this view, when strategic forces are balanced and hence mutually deterred (for example, when w_H and w_S, and z_H and z_S, are low), they are unavailable for deterring lower-level conflicts. Thus, advocates of conventional deterrence hold that

> deterrence is enhanced by the prospects of a conventional defense capable of denying the adversary the achievement of his objectives. The conventional strategy therefore emphasizes a conventional response to attack in the hope that nuclear escalation can be avoided. Extended deterrence persists, however,

[19] McGeorge Bundy, "The Bishops and the Bomb," *New York Review of Books* (June 16, 1983); John Lewis Gaddis, *The Long Peace: Inquiries into the History of the Cold War* (New York: Oxford University Press, 1987).

[20] Daalder (fn. 3).

[21] As noted in the text, Daalder (fn. 3) argues that the formal definition of flexible response is deliberately vague, in part to accommodate divergent views of how deterrence operates and how forces should be structured. This is the only sense in which pure deterrence is compatible with flexible response.

[22] Glen H. Snyder, "The Balance of Power and the Balance of Terror," in Paul Seabury, ed., *Balance of Power* (San Francisco: Chandler, 1965), 199.

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by deploying some nuclear weapons in Europe to pose the existential risk that war could escalate to all-out nuclear war, thus coupling the stability of the mutual U.S.-Soviet deterrence relationship to Europe.[23]

The existence of the Deterrence Equilibrium in our model verifies the connection between the premise and the conclusion of those deterrence theorists who view the postwar world order as unusually stable and robust;[24] it does not verify the premise, however. Nevertheless, the model indicates that an unconditionally stable deterrence relationship is possible, provided relevant decision makers somehow acquire either of the sets of beliefs associated with this equilibrium. In fact, such beliefs lead to an especially benevolent self-fulfilling prophecy.

No-Response Equilibrium (NRE)

A No-Response Equilibrium is an equilibrium in which there is some possibility of initiation ($x_H + x_S > 0$) but there is *never* any response ($y_H = y_S = z_H = z_S = 0$). As shown in the appendix, at *any* No-Response Equilibrium, Challenger always defects (that is, $x_H = x_S = 1$) and maintains a sufficiently credible threat to escalate should Defender resist by responding in kind (that is, w_H and w_S are large). Under this equilibrium, therefore, the status quo is never stable but (limited and unlimited) conflict and escalation are nonetheless precluded. Challenger *always* gets its way and the outcome is *always* DC. When a No-Response Equilibrium exists, Challenger attacks with impunity, as perhaps the Soviets did in Hungary in 1956, in Czechoslovakia in 1968, or in Afghanistan in 1979, and as the United States did in Grenada in 1983, in Libya in 1986, or in Panama in 1989.

Knowing the conditions under which a No-Response Equilibrium might exist provides additional insight into the dynamics of the Asymmetric Escalation Game. To understand these conditions, as well as those associated with the remaining equilibria of this two-stage escalation game, consider Figure 2. The horizontal axis of Figure 2 measures p_{Ch}, the a priori probability that Challenger's threat to escalate at the highest level is credible. Similarly, p_{Def}, the a priori probability that Defender is Hard and prefers all-out war to capitulation, is measured along the vertical axis. Several constants, which are defined and dis-

[23] Daalder (fn. 3), 52–53.

[24] Bernard Brodie, ed., *The Absolute Weapon: Atomic Power and World Order* (New York: Harcourt Brace, 1946); Michael D. Intriligator and Dagobert L. Brito, "Can Arms Races Lead to the Outbreak of War?" *Journal of Conflict Resolution* 28 (March 1984); Robert Jervis, *The Illogic of American Nuclear Strategy* (Ithaca, N.Y.: Cornell University Press, 1984); Kenneth N. Waltz, "The Spread of Nuclear Weapons: More May Be Better," Adelphi Paper no. 171 (London: International Institute for Strategic Studies, 1981).

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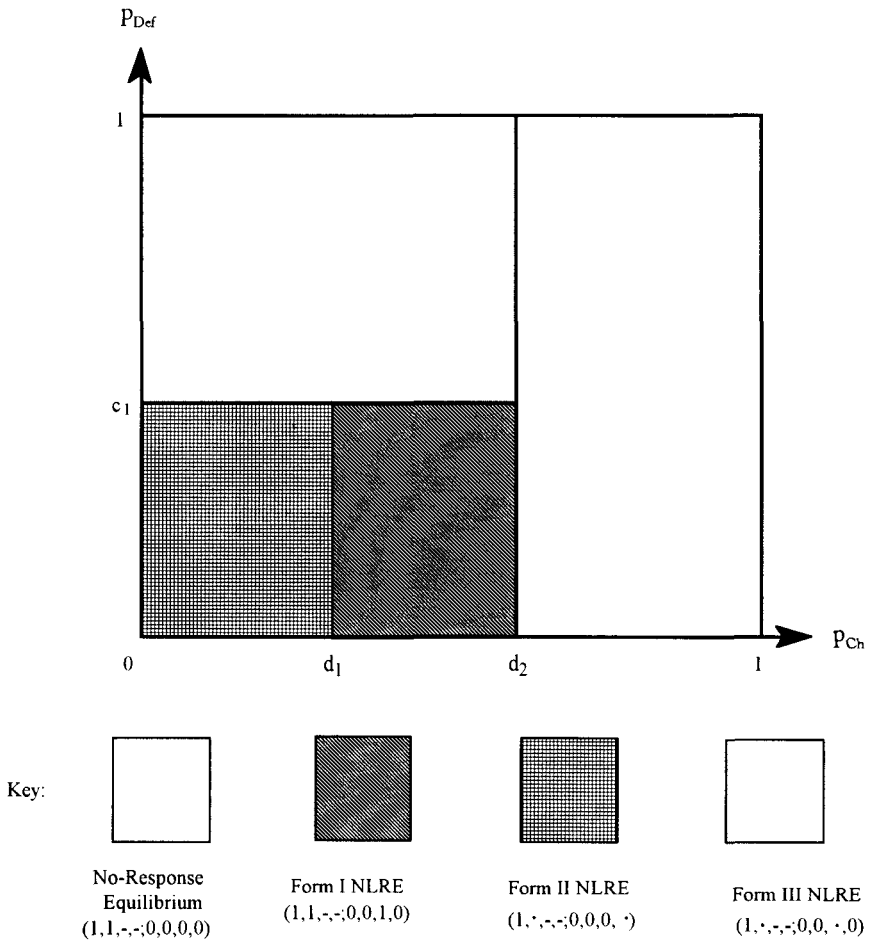

FIGURE 2
LOCATION OF NO-RESPONSE EQUILIBRIUM (NRE) AND NO-LIMITED-RESPONSE EQUILIBRIA (NLRE)

cussed in the appendix, are also indicated on these axes. These constants are thresholds that separate the various equilibria.

The No-Response Equilibrium can be found only in the eastern region of Figure 2, where p_{Ch} is large. Equilibria of this type exist, therefore, if and only if Challenger's credibility is high enough to deter Defender from escalating. (As well, Challenger's commitment to counterescalate [at Node 3a] must be strong enough to dissuade even a

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Hard Defender from responding in kind.) Because Defender is, in effect, completely deterred when a No-Response Equilibrium is in play, while Challenger is entirely undeterred, it should not be surprising that the possibility of a No-Response Equilibrium depends on Challenger's credibility being high but is unrelated to Defender's credibility.

The threshold value of Challenger credibility (d_2) associated with the existence of a No-Response Equilibrium is defined in the appendix and discussed more fully elsewhere.[25] For now we simply note that d_2 moves to the right, thereby reducing the region where the No-Response Equilibrium exists, as Defender's payoff from immediate escalation increases or as its payoff from immediate capitulation decreases. As one might expect, the more value Defender attaches to unilateral escalation, or the lower its value for immediate capitulation, the higher must be Challenger's credibility to dissuade Defender from resisting.

The threshold d_2 also rises as the value a Hard Defender places on the all-out conflict outcome increases. In other words, as central war becomes less onerous to Defender, the higher must be Challenger's a priori credibility to induce a No-Response Equilibrium. By increasing the cost of conflict, then, Challenger makes it more likely that a No-Response Equilibrium exists, so that even a Hard Defender will capitulate. But if Defender is already Soft, such increases are devoid of strategic implications. In general, whenever Challenger can threaten an all-out war with even moderate credibility, a Soft Defender will not rationally resist.

No-Limited-Response Equilibrium (NLRE)

A No-Limited-Response Equilibrium is an equilibrium in which there is some possibility of Challenger initiating (that is, $x_H + x_S > 0$), some possibility of Defender escalating (that is, $z_H + z_S > 0$), but *no* possibility that Defender will respond in kind when Challenger initiates a confrontation (that is, $y_H = y_S = 0$). For a No-Limited-Response Equilibrium to exist, Challenger's commitment (at Node 3a) to escalate first (that is, its values of w_H and w_S) must be large enough to deter any type of Defender from responding in kind (at Node 2) should Challenger dispute the status quo.

In the appendix it is shown that there are three distinct forms of No-Limited-Response Equilibria. When a No-Limited-Response Equilibrium is in play, Hard Challengers always defect (that is, $x_H = 1$) and there is always some possibility that Soft Challengers will defect as

[25] Zagare and Kilgour (fn. 5).

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well (that is, $x_S > 0$).[26] Since Defenders either escalate or do not respond at all, nothing like a limited conflict can emerge under any of the No-Limited-Response Equilibria.

FORM I NO-LIMITED-RESPONSE EQUILIBRIUM

Like the No-Response Equilibrium, the Form I No-Limited-Response Equilibrium involves certain initiation by Challenger (regardless of its type) and certain capitulation by a Soft Defender. When a Form I equilibrium is in play, Hard Defenders escalate with certainty (that is, $z_H = 1$). Soft Challengers then suffer a humiliating defeat, capitulating after Defender's harsh reaction, while Hard Challengers set in motion a process that culminates in all-out conflict.

As Figure 2 indicates, a Form I NLRE exists at intermediate levels of Challenger credibility, and at lower levels of Defender credibility. Unlike the No-Response Equilibrium, the Form I NLRE depends not only on Challenger's credibility, but also on Defender's. (See appendix for details.) Form I NLRE occur when the a priori probability that Challenger is Hard is high enough to deter a Soft Defender from retaliating, yet not so high that a Hard Defender capitulates (that is, $d_1 < p_{Ch} < d_2$). At the same time, Defender's credibility must be low enough that even a Soft Challenger would not hesitate before testing the water (that is, $p_{Def} \leq c_1$).[27]

FORMS II AND III NO-LIMITED-RESPONSE EQUILIBRIA

Like all equilibria of the Asymmetric Escalation Game other than the Deterrence Equilibrium, the two remaining No-Limited-Response Equilibria (Forms II and III) involve certain initiation by a Hard Challenger. Unlike the No-Response Equilibrium and the Form I NLRE, however, the Form II and Form III NLRE are associated with probabilistic (as opposed to certain) initiation by a Soft Challenger.

Under a Form II equilibrium, Hard Defenders always resist and Soft Defenders sometimes resist. But at a Form III equilibrium, only Hard Defenders resist, and only probabilistically at that. In each region, then, a Challenger unwilling to wage war might rationally precipitate a crisis; but only in region II might a reluctant Defender rationally call a Challenger's bluff.

[26] As detailed in the appendix, some restrictions on r (i.e., Defender's conditional probability that Challenger is seen to be Hard, given that Challenger initiates) also apply under any No-Limited-Response Equilibrium.

[27] For a discussion of the impact of specific changes in utilities on the relative locations of the threshold values defining the existence regions of all three forms of NLRE (i.e., d_1, d_2, and c_1), see Zagare and Kilgour (fn. 5).

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Form II NLRE are to be found near the origin in Figure 2, at the lowest levels of Challenger and Defender credibility. It should therefore not be surprising that rational behavior in this region involves the possibility of bluffing by both players. While all-out wars can transpire anywhere save for the region of the No-Response Equilibrium, it is only in the area of Form II NLRE that a Soft Defender can find itself involved in a war it would prefer to avoid, for only in this region is it rational for a Soft Defender sometimes to defy Challenger by escalating first. In the unlikely event that Challenger happens to be Hard, the unthinkable will occur.

Hard Challengers always initiate when a Form II NLRE is in play, while Soft Challengers initiate with a certain probability. This probability increases steadily from 0 to 1 as one moves from left ($p_{Ch} = 0$) to right ($p_{Ch} = d_1$) across the region. In other words, as Challenger's credibility rises, so does its tendency to test Defender's resolve, even when Challenger is in fact Soft. Likewise, a Soft Defender's optimal response strategy is to resist probabilistically. This probability, however, *decreases* steadily as one moves upward in the region, approaching zero at the upper boundary ($p_{Def} = c_1$). Thus a more credible Soft Defender resists less often under a Form II NLRE.

Like the Form II NLRE, the Form III NLRE also involves certain initiation by a Hard Challenger and probabilistic probing by a Soft Challenger. While this probability increases from 0 to 1 as Challenger's credibility rises from $p_{Ch} = 0$ to $p_{Ch} = d_2$, it increases more slowly than does the corresponding probability when a Form II NLRE is in play. In fact, equally credible Soft Challengers are more circumspect at a Form III NLRE than at a Form II NLRE. This is as it should be, since Defender's credibility is after all higher when a Form III NLRE exists, giving a Soft Challenger more reason to hesitate.

On the other hand, Defender's behavior is somewhat different under a Form III NLRE, relative to the Form II case. Specifically, under a Form III NLRE a Soft Defender *never* resists, and a Hard Defender resists only probabilistically. As with Soft Defenders in Form II, a more credible Hard Defender is less likely to resist under a Form III NLRE. The decrease in this tendency is a logical consequence of a Soft Challenger's willingness to make its initiation decision randomly at this equilibrium.

Taken together, the strategic options associated with the No-Response Equilibrium and the three No-Limited-Response Equilibria correspond roughly to the policy prescription Daalder terms *escalatory deterrence*. Proponents of escalatory deterrence hold that the threat of

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deliberate escalation, rather than any denial capability associated with the deployment of a potent conventional force, is the most efficacious way of deterring aggression. According to Daalder, "The escalatory-deterrence strategy, in recognizing the reality of certain thresholds in war, seeks to deter by posing the threat of unacceptable damage through the potential use of nuclear escalation. It thus extends the deterrent threat provided by mutual assured destruction to Europe by threatening to enlarge a conflict in Europe to general nuclear war."[28]

Like a pure deterrence deployment policy, then, escalatory deterrence relies on an opponent's fear of escalation to deter aggression. Advocates of pure deterrence contend that this fear is inherent in any contentious nuclear relationship. Thus, deterrence in Europe can be enhanced simply by coupling European security with American security. In this view, nuclear weapons should be deployed in a way that "ensures that escalation to general nuclear war is inherent in the very use of nuclear weapons."[29] By contrast, proponents of escalatory deterrence recommend a more deliberate tactical response to a challenge. Specifically, they counsel deemphasizing a conventional response and the early, if not the first, use of nuclear weapons in a confrontation.

The reason we associate the No-Response Equilibrium and the three No-Limited-Response Equilibria with an escalatory deterrence deployment policy is that none of these equilibria requires that Defender's threat to respond in kind to a challenge be credible. Moreover, unlike the Deterrence Equilibrium, which we link with pure deterrence, each of the escalatory equilibria requires that Defender *prefer* to escalate rather than accede to Challenger's demands for a change in the status quo (that is, Defender prefers outcome DE over outcome DC).[30]

Even a cursory examination of the behavioral characteristics of these equilibria reveals the limits of escalatory deterrence. Relying primarily on a threat to escalate is insufficient to deter Challenger if Challenger is Hard or if the game is played in the region of the No-Response Equilibrium or the Form I NLRE. Only when a Form II or III NLRE is in play does escalatory deterrence offer the possibility of a stable status quo. But even here the promise of stability is weak; in each of these two regions, deterrence works only when Challenger is Soft, and only

[28] Daalder (fn. 3), 58.

[29] Ibid., 46.

[30] The Deterrence Equilibrium does not depend on any particular preference relationship. Rather, it exists as long as the players have the required beliefs about each other's action choices, whatever their actual preferences happen to be.

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probabilistically at that. Defender's best hope is to project high enough credibility ($p_{Def} > c_1$) that with a less credible Challenger ($p_{Ch} < d_2$), a Form III NLRE evolves. Deterrence of a Soft Challenger is more likely in that region than anywhere else in Figure 2.

Limited-Response Equilibria (LRE)

As a group, the escalatory equilibria share one additional important characteristic: none admits the possibility of Defender responding in kind to a challenge (that is, $y_H + y_S = 0$). This means that after initiation Defender either escalates or does not respond at all. Clearly, when a No-Response Equilibrium or one of the No-Limited-Response Equilibria is in play, limited conflict (associated with the choice of D by both players) is rationally precluded.

Significantly, these four equilibria and the (pure) Deterrence Equilibrium are the only possible equilibria when Defender's first-stage threat is known to lack credibility, that is, when Defender prefers outright capitulation (outcome DC) to limited conflict (outcome DD).[31] In the Asymmetric Escalation Game, however, we assume that Defender prefers DD to DC and that this preference is known, making Defender's first-stage deterrent threat credible. Thus, the remaining equilibria of the Asymmetric Escalation Game arise as a consequence of this critical assumption about Defender's credibility. These additional patterns of behavior emerge when Defender's response options become unfettered.

Putting this differently, when Defender's only credible response is to escalate, substrategic conflict is not rationally possible. It is for this reason that, in another context, we associate these five equilibria with the policy of massive retaliation.[32] By contrast, the remaining Perfect Bayesian Equilibria of the Asymmetric Escalation Game admit the *possibility* of a nonescalatory (that is, D) response by Defender; hence, we call them Limited-Response Equilibria and associate them with deployment policies, such as flexible response, that provide Defender with a credible, nonescalatory alternative for resisting a challenge.

It is important to stress, however, that for these equilibria to exist, Defender's threat to respond in kind must be credible; that is, Defender must prefer outcome DD to outcome DC. Since this preference is precisely what flexible response was designed to achieve, our model allows us to assess the immediate strategic consequences of this ap-

[31] Zagare and Kilgour (fn. 5).
[32] Ibid.

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proach to extended deterrence.[33] The existence conditions associated with the Limited-Response Equilibria are particularly interesting, since they speak directly to the possibility of a constrained conflict or a limited war and to the viability of two additional extended deterrence postures, *no-first-use* and *warfighting deterrence*.

First proposed publicly by Robert McNamara in 1982, a no-first-use declaratory policy implies commitment to a nonnuclear defense against a nonnuclear attack, or, in terms of the model, to a response in kind.[34] Like the conventional deterrence policy associated with the Deterrence Equilibrium, no-first-use relies on nonescalatory responses to deter aggression. Nonetheless, there are important differences between these two extended deterrence policy stances. One subtle difference involves the point at which NATO would use nuclear weapons. Supporters of conventional deterrence, like former Secretary of Defense James Schlesinger, recommend that nuclear weapons be used "as late as possible" but "as early as necessary."[35] Under no-first-use, by contrast, nuclear weapons would be used *only* in response to a nuclear attack.

Another salient difference is rooted in the relationship between conventional and strategic options under no-first-use. According to Daalder, "The assumption [of conventional deterrence advocates] that escalation cannot be controlled does provide a coupling mechanism, if only an existential one."[36] By contrast, under a no-first-use deployment, these response options are decoupled. Thus proponents of no-first-use suggest a sufficiently capable conventional defense to deny an adversary victory in a limited, nonnuclear war. In their view, there is no role for tactical nuclear weapons; indeed, one of the benefits of a no-first-use deployment policy is that only survivable, second-strike nuclear weapons need be deployed. Or as Stromseth puts it, should this policy be implemented, "the ultimate reliance on nuclear weapons to shore up a failing conventional defense would be eliminated, and conventional forces would no longer function as a 'delayed trip-wire' for nuclear war."[37]

Warfighting deterrence, like no-first-use, does not deny the need for

[33] For an analysis of the implications of the pawn's value for extended deterrence relationships, see D. Marc Kilgour and Frank C. Zagare, "Uncertainty and the Role of the Pawn in Extended Deterrence," *Synthese* 100 (September 1994).

[34] McGeorge Bundy, George F. Kennen, Robert S. McNamara, and Gerard Smith, "Nuclear Weapons and the Atlantic Alliance," *Foreign Affairs* 60 (Spring 1982).

[35] Daalder (fn. 3), 52.

[36] Ibid., 50.

[37] Stromseth (fn. 2), 202.

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a potent conventional capability but rather stresses the need for a *range* of local options, including escalatory options, in order to deter aggression. A warfighting capability, then, does not rely solely on a credible substrategic response, as does no-first-use, or a capable strategic response, as does escalatory deterrence, or even an existential link between them, as do pure and conventional deterrence policies. Rather, this deployment policy depends upon maintaining credible response options at *both* the substrategic and the strategic level.

The key to warfighting deterrence, then, is escalation dominance, coupled with the ability to deny an adversary an advantage at any level of attack. According to Daalder, the strategy "relies on NATO's ability to dominate the escalation process up to the highest level of violence."[38] Thus, warfighting deterrence seeks to avoid war by denying an adversary an advantage at any level of outright conflict, *even if it means escalating first*.

LIMITED-RESPONSE EQUILIBRIA: GENERAL CHARACTERISTICS

At a Limited-Response Equilibrium there is some possibility of a challenge *and* a nonescalatory response (that is, $x_H + x_S > 0$ and $y_H + y_S > 0$). As we indicate below, it is possible but unlikely for the status quo to remain stable under this equilibrium. Moreover, the genuine possibility of limited conflict does not rule out higher levels—unilateral escalation and all-out war. Nonetheless, constrained conflict can occur only under a Limited-Response Equilibrium, which is therefore a necessary, although not a sufficient, condition for limited war.

Interestingly, certain probing and bluffing activity is less likely at a Limited-Response Equilibrium than elsewhere. To be sure, Soft Challengers may rationally initiate conflict, and Soft Defenders may rationally respond in kind to a challenge. Nevertheless, Soft Challengers and Soft Defenders never escalate first (that is, $w_S = z_S = 0$) at a Limited-Response Equilibrium. Thus all-out conflict can occur only when both players are Hard. War is impossible unless both sides want it, unlike a Form II No-Limited Response Equilibrium, where even a Soft Defender may rationally escalate.

On the other hand, Hard Challengers always intend to escalate first under a Limited-Response Equilibrium, but only probabilistically (that is, $0 < w_H < 1$). As might be expected, therefore, limited war deployment policies like no-first-use or warfighting deterrence always entail the risk of deliberate escalation. In other words, no limited war

[38] Daalder (fn. 3), 63.

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deployment policy can eliminate the possibility of rational escalation.

Challenger's behavior under a Limited-Response Equilibrium is the reverse of the bluffing activity associated with Forms II and III No-Limited-Response Equilibria. Under the latter equilibria, Hard Challengers always defect and Soft Challengers defect probabilistically. Soft Challengers may therefore act as if they are Hard. Under a Limited-Response Equilibrium, Soft Challengers never escalate and Hard Challengers may choose not to. In other words, Challengers may act Soft even when they are Hard!

Challenger's probabilistic intention to escalate first if Hard is, in a sense, a protective mechanism. Since Soft Challengers never escalate, Defender would never capitulate unless there was some probability of things getting out of hand. Conversely, were this probability a certainty, Defender would never respond in kind (see below). This intention thus benefits Challenger, especially when it does not have to act on it.

It is easy to understand why there is no Limited-Response Equilibrium under which Challenger escalates first for certain (that is, where $w_H = 1$). If so, there would be no possibility of a limited conflict; Hard Defenders would escalate in response to initiation, while Soft Defenders would capitulate.

In fact, Soft Defenders respond probabilistically at any Limited-Response Equilibrium, and Hard Defenders *always* respond, either in kind or by escalating (that is, $y_H + z_H = 1$). This means that when a Limited-Response Equilibrium coexists with a No-Response Equilibrium (see below) and Defender is Hard, it should be easy to determine which equilibrium is in play.

In sum, at any Limited-Response Equilibrium, the possibility of a challenge and a nonescalatory response is real; all-out conflict is possible only if both players prefer it to capitulation and only Hard players unilaterally escalate. Finally, Hard Defenders always respond in some way to a challenge under a Limited-Response Equilibrium. Nonetheless, the two forms of Limited-Response Equilibrium do have some salient distinguishing features, which we describe next.

NO-FIRST-USE LIMITED-RESPONSE EQUILIBRIUM

Figure 3 superimposes on Figure 2 the location of one manifestation of each form of Limited-Response Equilibrium. (For the details of the other manifestations, see the appendix.) As Figure 3 shows, one form occurs at high levels of Challenger credibility and at low levels of Defender credibility. Under this equilibrium, Defender, whatever its type,

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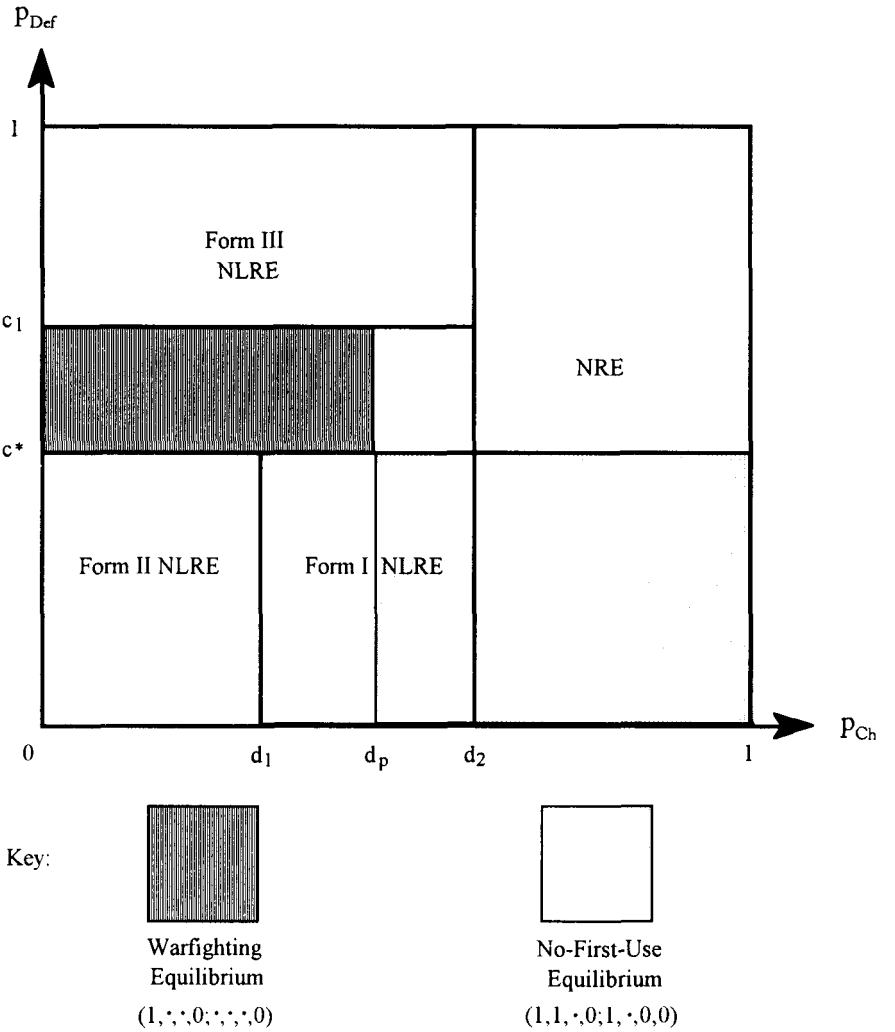

where · = fixed value between 0 and 1

FIGURE 3
POSSIBLE LOCATION OF LIMITED-RESPONSE EQUILIBRIA

never escalates first. Since Defender either responds in kind or not at all, we associate this form with a no-first-use deployment policy.

The second form occurs at lower levels of Challenger credibility and at intermediate levels of Defender credibility. This is the only equilibrium of the Asymmetric Escalation Game that includes the possibility

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that Defender will respond in kind *and* the possibility that Defender will escalate first. For this reason, we associate this form of Limited-Response Equilibrium with a warfighting deterrence posture.

As Figure 3 indicates, the No-First-Use Equilibrium partially overlaps the areas occupied by the No-Response and the Form I No-Limited-Response Equilibrium. Under certain conditions it may also partially overlap the existence region of the Form III NLRE (see appendix for details). Since the Deterrence Equilibrium occurs throughout the unit square of Figures 2 or 3, the No-First-Use Equilibrium always coexists with it.

Although the No-First-Use Equilibrium includes the possibility of limited conflict, the status quo is never stable. In other words, since Challenger always defects (that is, $x_H = x_S = 1$), nothing like deterrence can emerge under a No-First-Use Equilibrium: rational Challengers always initiate.

Fortunately, perhaps, Defender's equilibrium response to initiation never involves escalation (that is, $z_H = z_S = 0$). In the unlikely event that it is Hard, Defender simply responds in kind (that is, $y_H = 1$). As detailed in the appendix, Soft Defenders do likewise, but probabilistically. The higher its credibility, the higher the probability that a Soft Defender responds in kind rather than capitulates.

What happens then depends on Challenger's type. If Challenger is Soft, it will stick with its prior choice and a limited conflict ensues (that is, $w_S = 0$). Limited conflict may also occur if Challenger is Hard: when a No-First-Use Equilibrium is in play, a Hard Challenger may also stick with its prior choice at Node 3a (see appendix for details), in which case the conflict remains constrained. However, there is also a probability that a Hard Challenger will escalate; ultimately, the conflict may spiral to the highest level.

In sum, limited conflict is theoretically possible within the existence region of the No-First-Use Equilibrium. Here and only here can a no-first-use policy that relies exclusively on a tactical response to a challenge emerge as an equilibrium choice for Defender. Such a deployment policy does not, however, make the status quo any more stable. The major benefit associated with no-first-use is the relatively small but real possibility, not otherwise present, of limiting conflict and avoiding the stark choice between outright capitulation and certain escalation. This benefit, though, must also be weighed against the possibility of escalation to all-out conflict, also a possibility under a Form I or III Limited-Response Equilibrium but not under a No-Response Equilibrium.

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WARFIGHTING LIMITED-RESPONSE EQUILIBRIA

The second major form of Limited-Response Equilibrium is called a Warfighting Equilibrium. It is the only Perfect Bayesian Equilibrium that admits the possibility of either a limited or an escalatory response by Defender; hence its name.

As Figure 3 indicates, the Warfighting Equilibrium occurs at lower levels of Challenger credibility and at intermediate levels of Defender credibility. (Depending on parameter values, the equilibrium may in fact overlap with any of the three No-Limited-Response Equilibria.) Since the underlying conditions associated with the Warfighting Equilibrium differ markedly from those associated with the No-First-Use Equilibrium, it should hardly be surprising that there are significant differences between the two Limited-Response Equilibria.

At the Warfighting Equilibrium, Hard Challengers initiate with certainty and Soft Challengers initiate probabilistically. The probability of an initial probe is therefore lower at a Warfighting Equilibrium than at a No-First-Use Equilibrium. In this case, ceteris paribus, crises should be less frequent and the status quo more stable.

A more significant difference, however, between the No-First-Use Equilibrium and the Warfighting Equilibrium concerns Defender's possible responses. Under a No-First-Use Equilibrium, Defender either responds in kind or does not respond at all. But when a Warfighting Equilibrium is in play, Hard Defenders may also rationally escalate first. (Soft Defenders never escalate first at any Limited-Response Equilibrium.) More specifically, a Hard Defender always responds if challenged (that is, $y_H + z_H = 1$) and chooses a limited or an escalatory response with prespecified probabilities. (See appendix for details.) Thus Defender utilizes the entire range of response options under a Warfighting Equilibrium.

As with the No-First-Use Equilibrium, limited conflicts are possible when a Warfighting Equilibrium is in play. Clearly, for limited conflicts to occur, Defender must respond in kind when Challenger initiates, and Challenger must subsequently choose not to escalate. Both of these requirements are likely to be met when both players are Soft, but they may also be satisfied when one player is Hard or even if both are Hard. In other words, at a Warfighting Equilibrium, all-out conflicts may be avoided even when the players do not view all-out conflict as the worst possible outcome.

However, this is not to say that limited conflicts are inevitable or even likely at a Warfighting Equilibrium. The entire range of conflict

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outcomes, including unconstrained conflict, may evolve. As at the No-First-Use Equilibrium, then, the genuine possibility of a limited war carries with it the risk of more extensive conflict.

III. Multiple Equilibria

As indicated above, the Deterrence Equilibrium coexists with all other equilibria. The No-First-Use Equilibrium may partially overlap the region occupied by the No-Response Equilibrium and by Forms I and III No-Limited-Response Equilibria. Finally, the Warfighting Deterrence Equilibrium may occur simultaneously with all three No-Limited-Response Equilibria.

When two equilibria coexist, it is possible that rational players will find one of them unsustainable. For example, both types of both players may prefer one to the other. As well, equilibrium refinements, which are extensions to the criteria for rationality, sometimes eliminate one of the competing equilibria.[39]

This is never the case with the Deterrence Equilibrium, because it gives Defender its best outcome. All other equilibria, by contrast, always involve the possibility of initiation and therefore at least the risk of a less preferred outcome; thus, both types of Defender always strictly prefer the Deterrence Equilibrium to any of the alternatives. Nevertheless, Challenger would not initiate unless its expected value were at least what it gets at the Deterrence Equilibrium. In fact, a Hard Challenger *always* prefers the competing equilibrium; a Soft Challenger does also—at the three equilibria where Soft Challengers initiate for certain (No-Response, Form I No-Limited-Response, and No-First-Use). But Soft Challengers are indifferent when it comes to choosing between the Deterrence Equilibrium and the three equilibria where they initiate probabilistically (Forms II and III No-Limited Response and Warfighting). In consequence, these other equilibria simply coexist with the Deterrence Equilibrium—in every instance, there is no rational reason for players to reject either equilibrium in favor of the other.

The status of the No-First-Use Equilibrium is similar, with one important exception. When it coexists with the No-Response Equilibrium, Soft Defenders and both types of Challengers actually prefer the

[39] Drew Fudenberg and Jean Tirole, *Game Theory* (Cambridge: MIT Press, 1991); Robert Gibbons, *Game Theory for Applied Economists* (Princeton: Princeton University Press, 1992); and Eric van Damme, *Refinements of the Nash Equilibrium Concept* (Berlin: Springer-Verlag, 1993).

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No-Response Equilibrium; only Hard Defenders prefer the No-First-Use Equilibrium. The net result is that either is possible.

However, both types of Challengers and also Hard Defenders strictly prefer the No-First-Use Equilibrium to the Form I NLRE, and Soft Defenders are indifferent. Rational players would therefore never play the Form I NLRE; they would instead choose the No-First-Use Equilibrium in the region of overlap, which must include some, but may include all, of the zone of existence of Form I NLRE.

Finally, under certain conditions, the No-First-Use Equilibrium also overlaps with the Form III NLRE. If so, Soft Challengers strictly prefer the No-First-Use Equilibrium, as do Hard Challengers when p_{Def} is small enough. Likewise, Soft Defenders prefer the Form III NLRE, as do Hard Defenders when p_{Ch} is large enough. This means that neither equilibrium can be eliminated when they coexist.

The situation of the Warfighting Equilibrium is quite different, however. This equilibrium may coexist with any of the three No-Limited-Response Equilibria. In *every* case, Warfighting is strictly less preferred than the alternative, except that Soft Challengers are indifferent between it and the Form II NLRE, and Soft Defenders between it and the Form I NLRE. It follows that rational players *never* play the Warfighting Equilibrium but reject it in favor of the appropriate No-Limited-Response alternative.

IV. Discussion

The preceding technical discussion of the equilibria and their characteristics raises a number of difficult empirical and theoretical questions. First, why are substrategic deployments and flexible response policies of limited utility for stabilizing extended deterrence relationships? Second, given the overall tenuous stability of the status quo in the model, how can we account for the "remarkably stable system that emerged in Europe in the late 1940s"?[40] Third, in light of the theoretical improbability of limited conflicts, how can actual instances of limited war be explained? Finally, what does the model suggest about the nature of current and future interstate conflicts now that the cold war is over? In this section, we address each of these questions serially.

There are at least two ways to answer the first question. We begin with the prejudices of the model. On the one hand, by crediting De-

[40] John J. Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security* 15 (Summer 1990).

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fender with a perfectly capable and completely credible substrategic threat, and by assuming that there is no particular advantage to escalating first, we have weighted the model in favor of the status quo or limited conflict outcomes.[41] But we have countered that particular prejudice by also presuming that Defender prefers unanswered escalation to limited conflict. This, we acknowledge, is a strong assumption that suggests why substrategic forces may not be of great value to a Defender unwilling to escalate—why, in our model, limited conflicts are rare events.

What, then, is the purpose of this assumption? The most important reason is its presumption by proponents of massive retaliation. Massive retaliation supposes a preference for escalation over limited conflict and capitulation, as long as the challenger does not have the ability to counterescalate.[42] By retaining this assumption we are able to measure directly the strategic implications of substrategic deployments under precisely the conditions that were taken for granted by the first wave of deterrence theorists. These conditions assume the worst not only of Challenger but also of Defender. In the tradition of both classical and structural realism, each state prefers unilateral advantage and is not averse to using force to gain it, unless there is a counterforce capable of preventing aggrandizement by the individual actor.[43] In other words, this assumption best reflects the Hobbesian world feared most by strategic thinkers. To put flexible response to a less severe test would unduly bias our model the other way, by presuming a nonegotistical Defender.

On another level we can address, perhaps more intuitively, the restricted utility of credible substrategic threats by referring to the dynamics of the game. Note first that our model reflects the consensus of the wider strategic literature that policies like massive retaliation are not particularly efficacious once a Challenger has a credible counterescalatory threat. Thus, it should not be surprising that when Challenger's threat to retaliate is credible enough, a No-Response Equilibrium exists and the status quo is never an outcome at equilibrium.

But what if the credibility of Challenger's threat to retaliate is also low? Given uncertainty about Defender's response, Challenger can deter Defender from responding in kind by intending to escalate *first* (at Node 3a). Once Defender is so deterred, Challenger can initiate

[41] See fn. 7.

[42] Kaufmann (fn. 1).

[43] Kenneth N. Waltz, *Man, the State and War: A Theoretical Analysis* (New York: Columbia University Press, 1959), 232.

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with impunity. This tendency is accentuated as Defender's credibility to retaliate decreases or as Challenger's credibility increases. As well, the status quo becomes more stable as Challenger's credibility diminishes, ceteris paribus.

How, then, do we account for the persistence of the status quo in postwar Europe? There are a number of ways to explain this fact. One obvious answer is that by the time the Soviet Union had rendered massive retaliation completely obsolete by developing a nuclear capability and the means to deliver it, it had become a status quo power content to exercise control over its own territory and those neighboring states that could provide a buffer against foreign intrusion. This explanation, popular among revisionist historians, of course runs counter to standard realist assumptions and to the logic of deterrence theory.

It is also *possible* that a deterrence equilibrium was in play and that Soviet leaders came to believe that any attempt to alter the postwar status quo would inevitably lead to all-out nuclear conflict. While this explanation may comfort those who wish to believe that nuclear weapons have forever immunized the world from cataclysmic wars, it is not entirely consistent with Soviet choices to reimpose control in Czechoslovakia in 1968 or Afghanistan in 1979, or the even more provocative decision to try to address a strategic imbalance by shipping medium- and intermediate-range missiles to Cuba in 1962.

A more likely explanation, one that *is* consistent with the escalation model developed herein, is that the Soviet Union, while motivated to expand, was itself unwilling to fight a costly strategic war to do so and that U.S. leaders knew this. In the terms of the model, the Soviets lacked a credible retaliatory threat.[44] Thus, in situations like Czechoslovakia or Afghanistan, which were of high salience to the Soviets but not to the United States, the Soviets could, in equilibrium, act provocatively; but otherwise they chose not to gamble, behaving like a Soft Challenger under a Form II or Form III No-Limited-Response Equilibrium. Parenthetically, we might add that this explanation is not inconsistent with the argument of some strategic thinkers who attribute the absence of a superpower war to luck.[45]

Next, how do we explain real-world examples of limited wars? In our opinion, such events most likely occur outside the parameters of the present model. Recall again that we assume Defender's substrate-

[44] Of course, a similar argument could be used to explain why the United States never attempted to roll back the Iron Curtain in the 1950s, despite the rhetorical preference of some Republican leaders to do just that.

[45] T. K. Jones and W. Scott Thompson, "Central War and Civil Defense," *Orbis* 22 (Fall 1978).

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gic threat to be both completely capable and perfectly credible. The capability assumption implies Challenger's preference for the status quo over limited conflict,[46] while the credibility assumption leads Challenger to believe that Defender will never concede unilaterally. Within the confines of the two-stage escalation game, limited conflicts are more probable when either presupposition is relaxed.

Consider first the implications of the capability assumption. It is easy to demonstrate that given complete information and mutually credible strategic-level threats, limited conflict (outcome DD in Figure 1) is an equilibrium if Defender's substrategic threat lacks capability (that is, Challenger actually prefers outcome DD to outcome CC). Under these conditions, Challenger is deterred from escalating at Node 3b and Defender is deterred from escalating at Node 4. Nonetheless, Challenger initiates and Defender rationally responds in kind. Thus, when the capability assumption is relaxed, limited conflicts are much more probable.

Prussia likely operated under constraints like these in 1866. Clearly, Bismarck wanted a war with the Austrians, preferring limited bilateral conflict to an unsatisfactory status quo in which Austria played the dominant role in greater Germany. Given the confidence of the Prussian general staff in a short and decisive military victory, it is unlikely that there was anything that Austria could have done unilaterally to deter Prussia. Nonetheless, against the advice of his generals, Bismarck limited his war aims: the Prussian minister-president feared the involvement of other powers, but especially France. That was a war that Bismarck was as yet unprepared to fight. Consequently, after Königgrätz (Sadowa), he convinced King William I to hold back.

Much the same could be said of the American involvement in Vietnam. The North Vietnamese clearly lacked the capability to deter the United States from aiding the South. Still, the U.S. was careful not to risk a major escalation of this conflict by threatening vital Soviet or Chinese interests.

Now consider the implications of relaxing the assumption of a perfectly credible substrategic threat: once this assumption is dropped, the possibility of an *unanticipated* limited response is introduced. Such a possibility helps to explain some crises and limited conflicts.[47] In 1948,

[46] Frank C. Zagare, *The Dynamics of Deterrence* (Chicago: University of Chicago Press, 1987), 34, chap. 4.

[47] D. Marc Kilgour and Frank C. Zagare, "Using Game Theory to Analyze a General Two-Level Escalation Game" (Paper presented at the annual meeting of the American Political Science Association, New York, September 1–4, 1994).

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for instance, Soviet leaders were surprised when the United States and its allies found a way to resist their attempt to block the formation of a pro-Western German state. The resulting crisis over Berlin festered until the Soviets called off their blockade early in 1949. Similarly, the Falkland/Malvinas crisis can be traced to the belief of General Galtieri and the Argentine junta that the British would not "go to war for such a problem as these few rocky islands."[48] And UN forces would probably not have crossed the 38th parallel had they correctly gauged Chinese intentions in 1950.

In sum, our pessimism about the possibility of limited war does not apply to asymmetric conflicts in which a strong state uses force to secure limited objectives; nor does it pertain to those less-than-total conflicts that evolve when one state simply misjudges another's willingness to resist. Rather, our conclusions apply most directly to relations among relatively equal powers in which Defender's willingness and capability to engage a Challenger on the substrategic level is common knowledge and, not incidentally, *both prefer limited to total war*. We believe that these are precisely the conditions against which the efficacy of flexible response strategies like no-first-use and warfighting deterrence ought to be measured. After all, the implied objective of substrategic deployments is to reduce the possibility of strategic wars, not to increase the probability of limited conflicts.

What implications does this have for present-day conflicts? One is that under extreme conditions, restraint in warfare is unlikely. When two determined adversaries square off, chances are that no holds will be barred. The forces of Saddam Hussein, of course, set the oil fields in Kuwait on fire; chemical weapons were used in the war between Iran and Iraq; and Sherman leveled Atlanta. Such behavior is the rule, not the exception. When it occurs, restraint is likely to evolve by accident—when Challenger is unexpectedly confronted by a resolute Defender—or by virtue of a circumspect Challenger that, nonetheless, cannot be deterred from a limited objective.

What is to be done? One strategy is for weak states, like Belgium prior to World War I or the Baltic republics today, to rely on their "own strength and art, for caution against all other[s]."[49] But such states are by definition unlikely to have threats that are sufficiently capable (not to mention credible) to deter a highly motivated Chal-

[48] Alexander M. Haig, *Caveat: Realism, Reagan and Foreign Policy* (New York: Macmillan, 1984).
[49] Thomas Hobbes, *Leviathan*, ed. C. B. Macpherson (Harmondsworth, Great Britain: Penguin, 1968).

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lenger;[50] and, as we have seen, even a strong Defender with a credible threat cannot ensure a small state's integrity. Perhaps the best chance for successful extended deterrence is for a pawn to remain an unattractive prize;[51] alternatively, a pawn can hope that, in a marginal case, Defender's promised protection is sufficiently credible to dissuade Challenger from attacking. Failing this, only an existential fear of escalation offers even the remotest possibility of a stable status quo.

V. Summary and Conclusions

The aim of this essay is to assess the impact of credible substrategic deployments on a wide spectrum of extended deterrence relationships—to ask whether and when flexible response deployment policies can make limited wars possible and total wars less, or more, probable. We know of no other formal work that has asked these questions.

The efficacy of substrategic response options was evaluated using the Asymmetric Escalation Game as a model for extended deterrence. The structure of this game is simple: Challenger must decide whether to contest the status quo; if so, Defender must choose either to capitulate or to respond, and if the latter, whether in kind or in an escalatory fashion. Each player must make its choice without complete information about whether the other prefers fighting an all-out war or backing down in response to escalation. We believe this model to be a rough approximation of the historical relationship of the United States and the Soviet Union after NATO's implementation of a flexible response deployment policy. It applies as well to any venue (for example, Korea) in which a defender seeks to deter substrategic challenges.

All Perfect Bayesian Equilibria of the incomplete information escalation model have been identified, interpreted, and grouped into four mutually exclusive categories: Deterrence, No-Response, No-Limited-Response, and Limited-Response Equilibria.

A Deterrence Equilibrium, in which there is no possibility of a challenge, can occur under almost any conditions, provided that the players have an existential fear of escalation. One belief set consistent with the Deterrence Equilibrium requires that Challenger anticipate that any conflict will almost certainly escalate out of control. This view, we argue, is similar to that advanced by spiral theorists and advocates of a pure deterrence deployment policy. Parenthetically, we note that this

[50] Zagare and Kilgour (fn. 6).
[51] Kilgour and Zagare (fn. 33).

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belief set yields a similar equilibrium even when Defender adopts a policy like massive retaliation and lacks a credible substrategic threat.

A Deterrence Equilibrium might also evolve when Challenger expects Defender to respond in kind to a challenge: because it fears counterescalation, it intends not to escalate itself. This belief set is consistent with a conventional deterrence deployment policy. Advocates of conventional deterrence hold that a strategy of denial, when coupled existentially with the possibility of nuclear escalation, is the most efficacious extended deterrence posture. As one might expect, this belief cannot yield an equilibrium unless Defender possesses a credible substrategic threat. For existential deterrence to emerge, a flexible response deployment policy therefore provides one additional opportunity, beyond that given by massive retaliation.

The second major equilibrium category is the No-Response Equilibrium. The status quo is never stable when a No-Response Equilibrium is in play: Challenger always initiates and Defender always capitulates. For a No-Response Equilibrium to emerge, Challenger must possess a sufficiently credible threat to escalate and counterescalate. In effect, this threat deters Defender from offering any resistance at all.

There are three distinct forms of No-Limited-Response Equilibrium. At any No-Limited-Response Equilibrium there is always the possibility of initiation but no possibility that Defender will respond in kind. In other words, Defender either escalates or does not respond at all.

Like the No-Response Equilibrium, the three No-Limited-Response Equilibria do not depend on any substrategic threat. For this reason, both categories are associated with the escalatory deterrence policy prescription. Clearly, the deliberate threat to cross the nuclear threshold implicit in this deployment policy is not a particularly effective mechanism for extending deterrence, as critics of the Eisenhower administration's massive retaliation policy were quick to point out. The status quo is never stable when either a No-Response Equilibrium or a Form I No-Limited-Response Equilibrium is in play, or when Challenger prefers all-out war to capitulation (that is, is Hard). Only when Challenger's escalatory threat is relatively incredible is it possible for the status quo to persist.

The inadequacy of escalatory deterrence policies for maintaining the status quo in Europe explains NATO's migration toward flexible response. Flexible response required that NATO have a capable and credible threat to respond in kind to a substrategic challenge. Accordingly, in the early 1960s NATO's conventional and tactical nuclear forces were

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augmented. This buildup, it was thought, would allow decision makers to avoid the stark choice between holocaust and humiliation, between suicide and surrender, implicit in escalatory deterrence deployment policies like massive retaliation.

Two additional equilibria arise when Defender's substrategic threat is credible. These equilibria, the Limited-Response Equilibria, capture the additional rational behavioral possibilities that a flexible response deployment policy provides. Significantly, they are the only equilibria of the Asymmetric Escalation Game that involve the *possibility* of a restrained response to a challenge and, by implication, of a limited war.

The good news is that a limited conflict is theoretically possible under a Limited-Response Equilibrium. The bad news is that deterrence is unlikely when a Limited-Response Equilibrium is in play. Should a No-First-Use Equilibrium evolve, Challenger always initiates. And under a Warfighting Deterrence Equilibrium, there is only a limited chance that the status quo will persist.

Although deterrence is never stable under a No-First-Use Equilibrium, Defender does have certain advantages that might conceivably warrant the deployment stance associated with it. For example, in the region in which they coexist, Defender's expected payoff is greater under a No-First-Use Equilibrium than under a No-Response Equilibrium, provided Defender is Hard. (Soft Defenders prefer the No-Response Equilibrium.) Similarly, Hard Defenders prefer No-First-Use to the Form I No-Limited-Response Equilibrium, and Soft Defenders are indifferent. By contrast, Soft Defenders and, under certain conditions, Hard Defenders as well, actually prefer the Form III No-Limited-Response Equilibrium to the No-First-Use Equilibrium form.

On the other hand, these potential advantages must be weighed against the costs implicit in developing and maintaining a credible substrategic capability and in the realization that they accrue only in the relatively small existence region of the No-First-Use Equilibrium. Thus the probability that a no-first-use policy will be consistent with an equilibrium is relatively low.

It is also important to point out that the No-First-Use Equilibrium exists only when Challenger's credibility to wage all-out war is high and Defender's is low. Under these restricted conditions, Defender is likely Soft. The advantages offered by the No-First-Use Equilibrium to a Soft Defender are minimal. One must question, then, whether on balance the benefits of implementing a no-first-use extended deterrence deployment policy outweigh the costs; escalatory deployment

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policies, like massive retaliation, are both less expensive and no less effective in securing the status quo.

There is no question, however, about the attractiveness of the Warfighting Equilibrium, which requires Defender to be prepared either to respond in kind to a challenge or to escalate. Such a policy is consistent with equilibrium only at intermediate levels of Defender credibility and at lower levels of Challenger credibility. But a Warfighting Equilibrium is never preferred by Defender (or Challenger) to the No-Limited-Response Equilibrium with which it coexists. There are no conditions, therefore, under which Defender benefits from this deployment policy. In other words, it is almost always the case that a less costly escalatory deterrence deployment policy is preferable to a warfighting deterrence stance (for Defender).

In sum, our model indicates that almost never does a flexible response deployment offer an advantage to a Defender over an escalatory policy; even when it does, the benefits are minimal. This does not mean, however, that escalatory deterrence policies are a particularly efficacious mechanism for extended deterrence. There is no combination of beliefs and player types that guarantees a stable status quo under any of the four Escalatory Deterrence Equilibria. When an Escalatory Equilibrium is in play, Hard Challengers always initiate. There are also some situations in which Soft Challengers initiate with certainty, but no conditions under which a Soft Defender is completely deterred. In any case, the status quo is likely to survive only when Challenger's credibility is very low, when it is almost surely Soft, and when its probability of initiation vanishingly small.

Overall, the strategic position of a Defender limited to an escalatory response to a challenge is not enviable. While Defender's prospects rise along with the credibility of its strategic threat, even perfect credibility may not be sufficient to maintain the status quo. Only when Challenger's escalatory threat is almost totally incredible is the preservation of the status quo likely.[52]

In the absence of an irresolute Challenger, then, perhaps the best one can hope for is that a Deterrence Equilibrium evolves. Such a hope, however, is anathema to strategists and military planners. It depends on no particular deployment policy (other than the existence of strategic nuclear weapons) and is independent of each player's ability to convince the other that it will willfully escalate. Nonetheless, from the perspective of our model, it appears that Jervis was largely correct

[52] Zagare and Kilgour (fn. 5).

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with respect to extended deterrence relationships when he observed that "a rational strategy for the employment of nuclear weapons is a contradiction in terms."[53] If so, there is little solace to be taken, since an existential explanation of deterrence stability precludes control and manipulation to enhance peace, and it raises questions about both the source and the persistence of the beliefs that sustain the status quo.

APPENDIX

This Appendix contains details of the calculation of the Perfect Bayesian Equilibria of the game of Figure 1, which is described in Section I of the text. The players are Challenger (Ch) and Defender (Def). Refer to Section I for definitions of the payoff parameters

$$c_{DC} > c_{CC} > c_{ED} > c_{DD} > c^{+}_{EE} > c_{DE} > c^{-}_{EE},$$
$$d_{CC} > d_{DE} > d_{DD} > d_{DC} > d^{+}_{EE} > d_{ED} > d^{-}_{EE},$$

the credibility parameters $p_{Ch} = p_C$ and $p_{Def} = p_D$, and the strategic variables $x_H, x_S, y_H, y_S, z_H, z_S, w_H$, and w_S. It will be assumed here that $0 < p_C < 1$ and $0 < p_D < 1$. Below, the symbol r will be used to denote Def's conditional probability that Ch is Hard given that Def must take action (that is, that the game reaches Node 2 in Figure 1). Likewise, q will denote Ch's conditional probability that Def is Hard, given that Ch must respond to Def's D response (that is, that the game reaches Node 3a in Figure 1).

It can be shown that values $(x_H, x_S, y_H, y_S, z_H, z_S, w_H, w_S, r, q)$ constitute a Perfect Bayesian Equilibrium if and only if the following conditions are met:

$$x_H = \arg\max_{0 \le x \le 1} \Big\{ x \Big[(c_{DC} - c_{CC}) - y_p \Big[(c_{DC} - c_{DD}) - w_H (c_{ED} - c_{DD}) + w_H q (c_{ED} - c^{+}_{EE}) \Big] - z_p (c_{DC} - c^{+}_{EE}) \Big] \Big\} \quad \text{(C1)}$$

$$x_S = \arg\max_{0 \le x \le 1} \Big\{ x \Big[(c_{DC} - c_{CC}) - y_p \Big[(c_{DC} - c_{DD}) - w_S (c_{ED} - c_{DD}) + w_S q (c_{ED} - c^{-}_{EE}) \Big] - z_p (c_{DC} - c_{DE}) \Big] \Big\} \quad \text{(C2)}$$

[53] Jervis (fn. 24).

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$$\text{If } x_H + x_S > 0,\ r = p_C x_H / (p_C x_H + (1 - p_C) x_S) \tag{C3}$$

$$\text{If } x_H + x_S > 0,\ (y_H, z_H) = \tag{C4}$$

$$\arg\max_{\substack{0 \le y \le 1 \\ 0 \le z \le 1}} \left\{ y \left[(d_{DD} - d_{DC}) - w_r (d_{DD} - d^+_{EE}) \right] + z \left[(d_{DE} - d_{DC}) - r (d_{DE} - d^+_{EE}) \right] \right\}$$

$$\text{If } x_H + x_S > 0,\ (y_S, z_S) = \tag{C5}$$

$$\arg\max_{\substack{0 \le y \le 1 \\ 0 \le z \le 1}} \left\{ y \left[(d_{DD} - d_{DC}) - w_r (d_{DD} - d_{ED}) \right] + z \left[(d_{DE} - d_{DC}) - r (d_{DE} - d^-_{EE}) \right] \right\}$$

$$\text{If } x_H + x_S > 0, \text{ and } y_H + y_S > 0,\ q = p_D y_H / y_P \tag{C6}$$

$$\text{If } x_H + x_S > 0, \text{ and } y_H + y_S > 0, \tag{C7}$$

$$w_H = \arg\max_{0 \le w \le 1} \left\{ w \left[(c_{ED} - c_{DD}) - q (c_{ED} - c^+_{EE}) \right] \right\}$$

$$\text{If } x_H + x_S > 0, \text{ and } y_H + y_S > 0, \tag{C8}$$

$$w_S = \arg\max_{0 \le w \le 1} \left\{ w \left[(c_{ED} - c_{DD}) - q (c_{ED} - c^-_{EE}) \right] \right\}$$

where $y_p = p_D y_H + (1 - p_D) y_S$, $z_p = p_D z_H + (1 - p_D) z_S$, $w_r = r w_H + (1 - r) w_S$.

Deterrence Equilibria

A Deterrence Equilibrium is any equilibrium with $x_H = x_S = 0$. Clearly, only conditions (C1) and (C2) apply. Inspection of these two conditions shows that they hold provided z_H and z_S are large enough, or when y_H and y_S are large enough and w_H and w_S are small enough. For instance, there is a Deterrence Equilibrium ($x_H = x_S = 0$) for any values

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of the parameters when $z_H = z_S = 1$. At any Deterrence Equilibrium, the outcome is CC and the players' utilities are c_{CC} and d_{CC}.

No-Response Equilibria

A No-Response Equilibrium (NRE) is any equilibrium with $x_H + x_S > 0$, but $y_H = y_S = z_H = z_S = 0$. To identify all NRE, first observe from (C1) and (C2) that $y_p = z_p = 0$ implies that $x_H = x_S = 1$. Then, from (C3), $r = p_C$. The only remaining requirement for an NRE is that all of the coefficients of y and z on the right side of (C4) and (C5) must be nonpositive. Because

$$[(d_{DD} - d_{DC}) - w_r (d_{DD} - d_{EE}^+)] - [(d_{DD} - d_{DC}) - w_r (d_{DD} - d_{ED})] = w_r (d_{EE}^+ - d_{ED}) \geq 0$$

$$[(d_{DE} - d_{DC}) - r (d_{DE} - d_{EE}^+)] - [(d_{DE} - d_{DC}) - r (d_{DE} - d_{EE}^-)] = r (d_{EE}^+ - d_{EE}^-) > 0,$$

this requirement is equivalent to

$$w_r = p_C w_H + (1 - p_C) w_S \geq \frac{d_{DD} - d_{DC}}{d_{DD} - d_{EE}^+}$$

and

$$r = p_C \geq \frac{d_{DE} - d_{DC}}{d_{DE} - d_{EE}^+} = d_2.$$

It is now easy to verify that there is an NRE whenever $p_C \geq d_2$ and w_H and w_S are large enough, as specified above.

No-Limited-Response Equilibria

A No-Limited-Response Equilibrium (NLRE) is any equilibrium with $x_H + x_S > 0$, $z_H + z_S > 0$, and $y_H = y_S = 0$. To identify all NLRE, only conditions (C1) – (C5) need to be considered, provided $y_H = 0$ and $y_S = 0$ are also satisfied.

First we show that, at any NLRE, $x_S > 0$ and $x_H = 1$. From (C1) and (C2), note that at any NLRE,

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$$x_S = \arg\max_{0 \le x \le 1} \left\{ x \left[(c_{DC} - c_{CC}) - z_p (c_{DC} - c_{DE}) \right] \right\}$$

$$x_H = \arg\max_{0 \le x \le 1} \left\{ x \left[(c_{DC} - c_{CC}) - z_p (c_{DC} - c^+_{EE}) \right] \right\}.$$

The difference between the right-side coefficients of x is

$$[(c_{DC} - c_{CC}) - z_p (c_{DC} - c^+_{EE})] - [(c_{DC} - c_{CC}) - z_p (c_{DC} - c_{DE})] = z_p (c^+_{EE} - c_{DE}) > 0,$$

which proves that if $x_S > 0$, then $x_H = 1$. To complete the proof, note that if $x_S = 0$, then $x_H > 0$ (for an NLRE) so that $r = 1$ by (C3). But now the coefficient of z on the right side of (C4) is $(d_{DE} - d_{DC}) - (d_{DE} - d^+_{EE}) = d^+_{EE} - d_{DC} < 0$, implying that $z_H = 0$. Using (C5) in a similar way shows that $z_S = 0$, contradicting the definition of an NLRE.

Thus at any NLRE, either $x_H = x_S = 1$ or $x_H = 1$ and $0 < x_S < 1$. The first case occurs only when $z_p \le \dfrac{c_{DC} - c_{CC}}{c_{DC} - c_{DE}} = c_1$, and the second when $z_p = c_1$. Note that $r > 0$ always.

Subtracting the coefficients of z on the right sides of (C4) and (C5) gives

$$[(d_{DE} - d_{DC}) - r (d_{DE} - d^+_{EE})] - [(d_{DE} - d_{DC}) - r (d_{DE} - d^-_{EE})] = r (d^+_{EE} - d^-_{EE}) > 0.$$

This implies that, at an NLRE (where $y_H = y_S = 0$), $z_S > 0$ implies $z_H = 1$. Furthermore, $z_H \ge 0$ at equilibrium iff (if and only if) $r \le d_2$, and $z_S \ge 0$ at equilibrium iff $r \le d_1 = \dfrac{d_{DE} - d_{DC}}{d_{DE} - d^-_{EE}}$. Evidently, $d_1 < d_2$, and $r \le d_2$ at any NLRE.

We now identify necessary conditions for an NLRE with $x_H = x_S = 1$, called a Type I NLRE. Note that $r = p_C$. An NLRE with $p_C = d_2$ requires $z_S = 0$, $0 \le z_H \le 1$, and $z_p = p_D z_H \le c_1$. The latter inequality can be satisfied for any value of p_D. For an NLRE with $d_1 < p_C < d_2$, $z_S = 0$, $z_H = 1$,

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and $z_p = p_D \leq c_1$ are required. For an NLRE with $p_C = d_1$, $0 \leq z_S \leq 1$, $z_H = 1$, and $z_p = p_D + (1 - p_D)\, z_S \leq c_1$ are necessary. A suitable value of z_S can be chosen iff $p_D \leq c_1$. Finally, there cannot be an NLRE with $p_C < d_1$, for this would imply $z_S = z_H = 1$, whence $z_p = 1$ so that $z_p \leq c_1$ cannot be satisfied.

Now we turn to NLRE with $x_H = 1$, $0 < x_S < 1$. Recall that $r = p_C / (p_C + (1 - p_C)\, x_S) > p_C$ and $z_p = c_1$ at such an equilibrium. If $r = d_2$, then clearly $x_S = \dfrac{p_C(1 - d_2)}{(1 - p_C)\, d_2}$ and $p_C \leq d_2$ is necessary. Also $z_S = 0$ and $z_p = p_D\, z_H = c_1$ so $z_H = c_1 / p_D$ and $p_D \geq c_1$ is necessary. If $d_1 < r < d_2$, then $z_S = 0$ and $z_H = 1$, so $p_D = c_1$. Furthermore $p_C < d_2$ is required in order that x_S can be chosen to satisfy $r < d_2$. If $r = d_1$, $x_S = \dfrac{p_C\,(1 - d_1)}{d_1\,(1 - p_C)}$ and $p_C \leq d_1$ is necessary. As well, $z_H = 1$ and $z_p = p_D + (1 - p_D)\, z_S = c_1$, so $z_S = (c_1 - p_D) / (1 - p_D)$, and $p_D \leq c_1$ is necessary. There is no NLRE with $r < d_1$, for in that case $z_H = z_S = 1$, and $z_p = c_1$ is impossible.

Other necessary conditions for NLRE follow from the requirement that $y_H = y_S = 0$. Because the equilibria have $z_H > 0$, (C4) shows that the condition $y_H = 0$ is equivalent to

$$w_r\,(d_{DD} - d^{+}_{EE}) + (d_{DE} - d_{DD}) \geq r\,(d_{DE} - d^{+}_{EE})$$

which can certainly be satisfied by choosing w_H and w_S large enough. Furthermore, (C5) shows that $y_S = 0$ holds whenever

$$w_r\,(d_{DD} - d_{ED}) \geq d_{DD} - d_{DC}$$

which again is always true if w_H and w_S are large enough.

In summary, we have identified three NLRE that exist on sets of positive measure in (p_C, p_D)-space. They are

(I) $x_H = x_S = 1$, $z_H = 1$, $z_S = 0$, $y_H = y_S = 0$
(where $d_1 \leq p_C \leq d_2$ and $p_D \leq c_1$)

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$$\text{(II)} \quad x_H = 1, x_S = \frac{p_C(1-d_2)}{(1-p_C)\,d_2}, z_H = c_1 / p_D, z_S = 0, y_H = y_S = 0$$

(where $p_C \leq d_2$ and $p_D \geq c_1$)

$$\text{(III)} \quad x_H = 1, x_S = \frac{p_C(1-d_1)}{(1-p_C)\,d_1}, z_H = 1, z_S = \frac{c_1 - p_D}{1-p_D}, y_H = y_S = 0$$

(where $p_C \leq d_1$ and $p_D \leq c_1$)

All of these equilibria require that w_H and w_S be sufficiently large, and that the value of r be appropriate, as specified above.

Limited-Response Equilibria

A Limited-Response Equilibrium (LRE) is any equilibrium with $x_H + x_S > 0$ and $y_H + y_S > 0$. Clearly all of conditions (C1) – (C8) need to be satisfied.

First we show that any LRE has $w_S = 0$ and $0 < w_H < 1$. Subtracting the coefficient of w in (C8) from the coefficient in (C7) gives

$$[(c_{ED} - c_{DD}) - q\,(c_{ED} - c_{EE}^{+})] - [(c_{ED} - c_{DD}) - q\,(c_{ED} - c_{EE}^{-})] = q\,(c_{EE}^{+} - c_{EE}^{-}).$$

It follows that either $q = 0$ (in which case $w_H = w_S = 1$) or the coefficient for w_H strictly exceeds that for w_S. In either case, if $w_S > 0$, then $w_H = 1$.

To see that there are no LRE with $w_S = w_H = 0$, note that this would imply $w_r = 0$, so that the coefficients of y in (C4) and (C5) would be strictly positive, yielding $y_H + z_H = 1$ and $y_S + z_S = 1$. The coefficient of x in (C1) is then

$$(c_{DC} - c_{CC}) - y_p\,(c_{DC} - c_{DD}) - z_p\,(c_{DC} - c_{EE}^{+}) < (1 - y_p - z_p)\,(c_{DD} - c_{CC}) = 0$$

because $y_p + z_p = 1$. It follows that $x_H = 0$, and, by an analogous calculation using (C2), $x_S = 0$. Thus an equilibrium with $w_S = w_H = 0$ cannot be an LRE.

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Now consider any LRE with $w_H = 1$. Subtracting the coefficient of y from the coefficient of z in (C4) gives

$$(1 - r)\,[(d_{DE} - d_{DD}) + w_S\,(d_{DD} - d_{EE}^{+})]$$

which is positive unless $r = 1$. Clearly $y_H = 0$ if $r < 1$. If $r = 1$, direct substitution in (C4) shows $y_H = z_H = 0$ at equilibrium. But if $y_H = 0$ at an LRE, then $y_S > 0$, $q = 0$, and $w_S = 1$ all follow. But now $w_r = 1$, and (C5) fails unless $y_S = 0$. This contradiction shows that $w_H = 1$ is impossible at any LRE.

The proof that $w_S = 0$ and $0 < w_H < 1$ at any LRE is now complete. A further requirement, from (C7), is

$$q = c_q = \frac{c_{ED} - c_{DD}}{c_{ED} - c_{EE}^{+}}\ .$$

Observe that $0 < q < 1$, which in turn implies that $y_H > 0$ and $y_S > 0$.

Comparison of the coefficients of y in (C4) and (C5) shows that if $y_S > 0$ at equilibrium, then $y_H + z_H = 1$. Furthermore, it must be the case that $y_S + z_S < 1$, because, as proved above, the equalities $y_H + z_H = 1$ and $y_S + z_S = 1$ are inconsistent with any equilibrium in which $x_H + x_S > 0$. We now show that, at any LRE, $z_S = 0$.

Rewrite conditions (C4) and (C5) as

$$(y_H, z_H) = \arg\max \left\{ y\,C_y^H + z\,C_z^H \right\}$$

$$(y_S, z_S) = \arg\max \left\{ y\,C_y^S + z\,C_z^S \right\}.$$

We have already proved that, at any LRE, $C_y^S = 0$, $C_y^H > C_y^S$, $C_z^H \le C_y^H$, and $C_z^S \le C_y^S = 0$. We now show that $C_z^S < 0$.

In order that $C_y^S = 0$, $w_r = \dfrac{d_{DD} - d_{DC}}{d_{DD} - d_{ED}}$ is required. Next,

$$C_y^H - C_z^H = (d_{DD} - d_{DC}) - w_r\,(d_{DD} - d_{EE}^{+}) - (d_{DE} - d_{DC}) + r\,(d_{DE} - d_{EE}^{+}),$$

whence $C_y^H \ge C_z^H$ iff

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$$r \geq \frac{(d_{DE} - d_{DD}) + w_r (d_{DD} - d^+_{EE})}{d_{DE} - d^+_{EE}},$$

which means that

$$C^S_z \leq (d_{DE} - d_{DC}) - \left[\frac{(d_{DE} - d_{DD}) + w_r (d_{DD} - d^+_{EE})}{d_{DE} - d^+_{EE}} \right] (d_{DE} - d^-_{EE}).$$

After substitution and manipulation, it can be shown that the right side of this inequality is strictly negative, so that $C^S_z < 0$ as claimed.

Note that, coincidentally, it was demonstrated above that

$$r \geq d_p = \frac{(d_{DE} - d_{DD})(d_{DD} - d_{ED}) + (d_{DD} - d^+_{EE})(d_{DD} - d_{DC})}{(d_{DE} - d^+_{EE})(d_{DD} - d_{ED})}$$

at any LRE. In fact, $r = d_p$ if $C^H_z = C^H_y$ (necessary for $z_H > 0$), and $r \geq d_p$ if $z_H = 0$ (when $C^H_z \leq C^H_y$).

We now identify all LRE with $z_H = 0$. Clearly $y_H = 1$, and y_S is determined by the condition $q = c_q$. Application of (C6) gives

$$y_S = \frac{p_D (1 - c_q)}{c_q (1 - p_D)}.$$

Evidently, $p_D \leq c_q$ is necessary in order that $y_S \leq 1$.

It is easy to verify that $z_p = 0$ and that $w (c_{ED} - c_{DD}) - wq (c_{ED} - c^+_{EE}) = 0$, so that (C1) and (C2) reduce to

$$x_H = \arg\max \left\{ x \left[(c_{DC} - c_{CC}) - y_p (c_{DC} - c_{DD}) \right] \right\}$$

$$x_S = \arg\max \left\{ x \left[(c_{DC} - c_{CC}) - y_p (c_{DC} - c_{DD}) \right] \right\}.$$

Let $C_x = (c_{DC} - c_{CC}) - y_p (c_{DC} - c_{DD})$. Clearly there is no LRE with $x_H = x_S = 0$. There is an LRE with $0 < x_H < 1$ or $0 < x_S < 1$ when $C_x = 0$, but this happens only when

$$y_p = \frac{p_D}{c_q} = \frac{c_{DC} - c_{CC}}{c_{DC} - c_{DD}},$$

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which occurs only on a set of measure zero in (p_D, p_C) – space.

The remaining possibility for an LRE with $z_H = 0$ is $x_H = x_S = 1$, when $C_x \geq 0$, which occurs exactly when

$$p_D \leq c^* = \frac{c_{DC} - c_{CC}}{c_{DC} - c_{DD}} \cdot c_q = \frac{c_{DC} - c_{CC}}{c_{DC} - c_{DD}} \cdot \frac{c_{ED} - c_{DD}}{c_{ED} - c_{EE}^+} \quad .$$

Note that $p_D \leq c^*$ implies $p_D < c_q$. Also, the requirement that $r \geq d_p$ can be met only when $p_C \geq d_p$. There is one more necessary condition for this equilibrium: $C_z^S \leq 0$ only if $p_C \geq \frac{d_{DE} - d_{DC}}{d_{DE} - d_{EE}^-} = d_1$.

It can be verified directly that the preceding necessary conditions are also sufficient. They yield LRE I

$$x_H = 1, x_S = 1, y_H = 1, z_H = 0, y_S = \frac{p_D (1 - c_q)}{c_q (1 - p_D)}, z_S = 0,$$

$$w_H = \frac{d_{DD} - d_{DC}}{d_{DD} - d_{ED}} \cdot \frac{1}{p_C}, w_S = 0, r = p_C, q = c_q,$$

which exists iff $p_C \geq d^* = \max \{d_1, d_p\}$ and $p_D \leq c^*$. Note that $d_p < d_2$, so $d_1 \leq d^* < d_2$. The parameter c^* could be greater than, less than, or equal to the parameter c_1.

We turn now to the identification of LRE with $z_H > 0$. Clearly $z_H = 1 - y_H$. The conditions (C1) and (C2) reduce to

$$x_H = \arg\max \left\{ x \left[(c_{DC} - c_{CC}) - y_p (c_{DC} - c_{DD}) - z_p (c_{DC} - c_{EE}^+) \right] \right\} \text{ (C1)}$$

$$x_S = \arg\max \left\{ x \left[(c_{DC} - c_{CC}) - y_p (c_{DC} - c_{DD}) - z_p (c_{DC} - c_{DE}) \right] \right\} \text{ (C2)}$$

Because $z_p > 0$, the coefficient of x in (C1) exceeds the corresponding coefficient in (C2). The requirement $r = d_p$ can therefore be met only by $x_H = 1$ and $x_S > 0$, because $0 < d_p < 1$. In fact

$$x_S = \frac{p_C (1 - d_p)}{d_p (1 - p_C)}$$

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in order that $r = d_p$; it follows that $p_C \leq d_p$ is necessary for an LRE of this type, to ensure that $x_S \leq 1$.

The requirement that $q = c_q$ implies that

$$y_S = \frac{p_D(1 - c_q)}{c_q(1 - p_D)} y_H.$$

Along with $z_H = 1 - y_H$, this equation can be substituted into the coefficient of x in (C2), which must vanish. The resulting equation can be solved for y_H to yield

$$y_H = \frac{c_{ED} - c_{DD}}{p_D} \left[\frac{(c_{DC} - c_{CC}) - p_D(c_{DC} - c_{DE})}{c_{\text{den}}} \right]$$

where $c_{\text{den}} = (c_{DC} - c_{ED})(c_{DD} - c_{EE}^{+}) - (c_{ED} - c_{DD})(c_{EE}^{+} - c_{DE})$. The only remaining conditions concern $0 \leq y_H \leq 1$ and $0 \leq y_S \leq 1$. It is straightforward to show that, if $c_{\text{den}} > 0$, then $y_H \geq 0$ iff $p_D \leq c_1$, $y_S \geq 0$ iff $y_H \geq 0$, $y_H \leq 1$ iff

$$p_D \geq c^* = \frac{(c_{DC} - c_{CC})(c_{ED} - c_{DD})}{(c_{DC} - c_{DD})(c_{ED} - c_{EE}^{+})}$$

and $y_S \leq 1$ iff

$$p_D \geq c_S = \frac{(c_{ED} - c_{DD})(c_{EE}^{+} - c_{DE}) - (c_{CC} - c_{ED})(c_{DD} - c_{EE}^{+})}{(c_{ED} - c_{EE}^{+})(c_{DD} - c_{DE})}.$$

Likewise, if $c_{\text{den}} < 0$, $y_H \geq 0$ iff $p_D \geq c_1$, $y_S \geq 0$ iff $y_H \geq 0$, $y_H \leq 1$ iff $p_D \leq c^*$, and $y_S \leq 1$ iff $p_D \leq c_S$. It can be verified directly that $c^* > c_S$ when $c_{\text{den}} > 0$, and $c^* < c_S$ when $c_{\text{den}} < 0$.

It can now be demonstrated that the preceding necessary conditions are also sufficient, yielding LRE II,

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$$x_H = 1,\ x_S = \frac{p_C(1-d_p)}{d_p(1-p_C)},\ y_H = \frac{c_{ED}-c_{DD}}{p_D}\left[\frac{(c_{DC}-c_{CC})-p_D(c_{DC}-c_{DE})}{c_{\text{den}}}\right],$$

$$z_H = 1-y_H,\ y_S = \frac{p_D(c_{DD}-c_{EE}^{+})\,y_H}{(1-p_D)(c_{ED}-c_{DD})},\ z_S = 0,\ w_H = \frac{d_{DD}-d_{DC}}{d_{DD}-d_{ED}} \bullet \frac{1}{d_p},$$

$$w_S = 0,\ r = d_p,\ q = c_q,$$

which exists iff $p_C \le d_p$ and $c^* \le p_D \le c_1$ if $c_{\text{den}} > 0$ or $c_1 \le p_D \le c^*$ if $c_{\text{den}} < 0$.

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Review Articles

THE ENIGMA OF NATIONALISM

By YAEL TAMIR*

Benedict Anderson. *Imagined Communities,* 2d ed. London: Verso, 1991, 224 pp.

Liah Greenfeld. *Nationalism: Five Roads to Modernity.* Cambridge: Harvard University Press, 1992, 571 pp.

Anthony D. Smith. *National Identity.* Las Vegas: University of Nevada Press, 1991, 226 pp.

THE biblical story of the tower of Babel (Genesis 11) could be interpreted as a mythical description of the origin of nations. According to the story, at this early stage in human history, the world was inhabited by one people who spoke one language until, in their vanity, human beings challenged the limits of their ability and joined together to build a tower reaching up to heaven. Angry and apprehensive about this expansion of human powers, and about the conceit it conveyed, God said:

> Behold, the people is one, and they have all one language; and this they begin to do: and now nothing will be withheld from them, which they schemed to do. Come, let us go down, and there confound their language, that they may not understand one another's speech. (Genesis 11:6–7)

Thus God scattered human beings across the face of the earth, and they divided into nations.

According to this origin myth, the birth of nations is also the beginning of multiplicity and diversity; national experiences are, therefore, particular and universal at the same time. The universal national narrative enfolds itself in many forms; thus there is more than one exodus, one divine redemption, or one moment of liberation for all humankind. Liberation and self-determination are universal experiences, but each nation encounters them its own particular way. This is the essence of the reiterative view of nationalism.[1]

* I am grateful to Batya Stein, Ruti Wintraub, Menachem Lorberbaum, and Dalia Drai for their useful comments and suggestions.

[1] Michael Walzer, "The National Question Revisited" (Tanner Lecture, Oxford, 1989), 40–45.

World Politics 47 (April 1995), 418–40

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Most nationalists, however, tend to repress the knowledge that their nation is but a reiteration of a worldwide phenomenon. Ignoring the striking analogies among the processes leading to the creation of different nations, they tend to emphasize the particular. Social scientists, however, do the opposite. They reach beyond particularistic discourses and expose the similarities among different national narratives to produce various typologies of national movements. The authors of the books reviewed here make a significant contribution to the sociology and history of nationalism by exploring the interrelations between the patterns of development of different national movements. Liah Greenfeld, in her interesting book, *Nationalism: Five Roads to Modernity*, surveys the chronological development of five different national movements, starting with sixteenth-century England, and continuing through mid-seventeenth-century France, Russia during the second half of the eighteenth century, late-eighteenth- and early-nineteenth-century Germany, and the United States during the late eighteenth to mid-nineteenth centuries. The national evolution of these societies, she argues, represents a coherent, though exceedingly complex process. Since these five nations shared the same social space, the mutual influences among them are evident.

The tendency of national movements to follow in the footsteps of their predecessors is also made evident in Benedict Anderson's book, *Imagined Communities*. Anderson, wishing to break away from the conceit of European scholars "that everything important in the modern world originated in Europe" (p. xiii), turns our attention to the Americas and provides us with a fascinating account of the development of nationalism in that part of the world. National movements in the Americas, he argues, have shared some features with their European predecessors yet there have been marked differences. First, "language was not an element that differentiated them [Brazil and the United States] from their respective metropolis" (p. 47). Second, unlike European nationalism, which promoted the induction of the lower classes into the political world, in the cases of Venezuela, Mexico, and Peru, it was "the fear of the lower class political mobilization that played a key role in spurring the drive for independence from Madrid" (p. 48).

The riddle, Anderson argues, is "Why was it precisely *creole* communities that developed so early conceptions of the nation-ness—*well before most of Europe?*" (p. 50). The two new chapters included in the second edition attempt to solve the riddle. They demonstrate how three institutions—the census, maps, and museums—shaped the way

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in which colonies and the independent states that followed them imagined their domain.

These chapters raise the questions that lie at the heart of *National Identity* by Anthony Smith: How do nations emerge? What holds them together? What accounts for the intensity and scope of national feelings? We cannot begin to understand the power and appeal of nationalism as a political force, Smith argues, "without grounding our analysis in a wider perspective whose focus is national identity treated as a collective phenomenon" (p. vii).

All three authors are fascinated by the mysterious vitality of nationalism. Why does nationalism provide the most compelling identity myth in the modern world? Why and how can it motivate individuals? Why does every successful revolution since World War II define itself in nationalist terms? But before turning to discuss these issues, one must struggle with definitions: What does the term *nation* mean? In what ways is it distinct, if at all, from closely related terms like *state, people,* and *ethnic group*.

An inquiry into the nature of these terms will reveal an irony hovering over the study of nationalism: the more we struggle to provide an adequate definition of nation, and the more we learn about the emergence of nations and about the origins and the development of nationalism, the less credible is the nationalist image of nations as homogeneous, natural, and continuous communities of common fate and descent. Yet, it is precisely this image that nurtures the unique power of nationalism.

Nation: In Search of a Definition

A nation, Anderson argues,

> is an imagined political community—and imagined as both inherently limited and sovereign. It is *imagined* because the members of even the smallest nations will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives an image of their community. (p. 6)

Anderson carefully distinguishes his definition from Ernest Gellner's claim that nationalism "invents nations where they do not exist."[2] Gellner, he argues, is so anxious to show that nationalism masquerades under false pretenses that he equates invention with fabrication and falsity rather than with imaging and creation, thus implying that there are true communities that can be advantageously compared to nations.

[2] Gellner, *Thought and Change* (London: Weidenfeld and Nicholson, 1971), 169.

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Communities, however, are to be distinguished "not by their falsity/genuineness, but by the style in which they are imagined" (p. 6).

Anderson's definition is important because it emphasizes the central role played by the *image* of a nation in creating a national reality. Nevertheless, this definition raises two theoretical difficulties that undermine its usefulness. The first and most serious relates to Anderson's use of the term *imagined.* Anderson argues that a nation is an imagined community because it is impossible for all its members to engage in face-to-face contact with all fellow members at all times. Hence, members can only perceive the nation as a whole by referring to the image of it that they have construed in their own minds. But this use of the term seems trivial and uninformative because all human associations, even if no larger than families or primordial villages, could, according to this definition, be considered imagined communities. For instance, it is highly unlikely that any lecturer at Tel-Aviv University will ever have the opportunity to engage in face-to-face relationships with all other members of the university—faculty, staff, and students. The university as a community, not an institution, thus would only be an image members carry in their minds. Would this criterion be sufficient to turn the university into an imagined community?

Consider an even more problematic example. I know all the members of my extended family, and I have had, at one point or another, intimate face-to-face contact with most of them. They are not, however, physically present in my room while I write this review. Some are at work or at school, some are traveling abroad, one new member I have yet to meet, and I have spoken only briefly with my cousin's new spouse. Hence, at this very moment, my view of my family as a whole depends on an image that exists in my mind. According to Anderson's definition then, my family is no less an imagined community than the nation I belong to.

Moreover, the image of my family as a whole has been formed not only through face-to-face encounters with its present members, but also through my awareness of the existence of former generations as well as future ones. It includes personal recollections of personal incidents related to the family, as well as collective memories of events I know of but have never experienced. Hence, even if all members of my family were now in the room with me, an account of this meeting would differ from the image of the family that lives in my mind.

If the condition for a community to be considered imagined is that the only way to perceive it as a whole is to refer to its image, then all social groups, even the smallest, are imagined communities. It is in this

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sense that the term imagined community is uninformative. Anderson might accept this objection and argue that, even if all communities are imagined, they can still be distinguished by "the style in which they are imagined." He does not, however, supply evidence of the existence of such different styles, nor does he explain of what they may consist.

Anderson's claim could also be interpreted as referring not to the style in which communities are imagined but by the attributes that play a major role in the construction of the community's image. The differences among communities would then lie in the distinguishing features ascribed to them. For example, the image of a university embraces attributes such as classrooms, libraries, and a concern with academic studies, while the image of a family includes attributes such as love, intimacy, and ties of blood and marriage. In constructing the image of a nation, we refer to yet another set of attributes, which includes culture, language, history, and national consciousness, and which all its members share in common. But this argument amounts to saying no more than that communities are distinguished by their distinguishing characteristics, which is essentially a tautology.

This definition could be made more meaningful if substantial differences were pointed out in the nature of the distinguishing characteristics attributed to the different communities. For example, distinguishing features may be divided into those that are independent of the feelings and perceptions of the agents—age, gender, race, income, or place of birth—and those that are not. The characteristic features of groups that, for example, consist of all individuals born on July 4, or all who graduated Balliol College, Oxford, in the summer of 1986, or all Israeli citizens, belong to the first category. On the other hand, the characteristic features of a couple of lovers or group of friends belong to the second.[3] If we follow this categorization, it will become evident that a nation more closely resembles a group of friends than a group of citizens. Its existence cannot be deduced from certain objective features, but rather from the feelings of communion among its members, as well as from the existence of a shared national consciousness. Hence, an outside observer would not be able to divide the world accurately into nations, nor could he or she explain, without referring to the agents' feelings, why Ethiopian, Russian, and Israeli Jews belong to the same

[3] A group of friends can only be identified by the feelings shared among them. Some types of behavior might indeed indicate that some individuals are friends, but these individuals may only be pretending to be friends without really bearing affectionate feelings for one another. The opposite is also possible: individuals who feel friendly toward one another may agree to disguise their friendship. Hence, an external observer can never be sure that two individuals are friends unless he or she has a way to learn about their feelings.

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nation, whereas Palestinian, Jordanian, and Syrian Arabs belong to different ones.

According to this interpretation, a community is defined as imagined not because of its size or because of the likelihood of face-to-face contact among its members. It is imagined because its existence is contingent on its members' sustaining a certain image of it that is based on their perceptions and feelings. If we adopt this interpretation we would, indeed, define a nation as an imagined community.

The term *imagined* inevitably raises questions. Are there communities which are not imagined? It might be the case that the difference among groups and communities lies exactly in the sphere of characteristic features, and consequently that all communities are, by definition, imagined. Are imagined communities less real than groups? A comprehensive discussion of the ontological status of communities is far beyond the scope of this review; however, one brief comment regarding the use of the term *real* in this context is necessary. If real is taken to mean "existing as a fact" then, as every realist in international relations will attest, the existence of imagined communities is a social fact. The term *imagined* communities is therefore not to be used synonymously with *imaginary* ones.

But should a nation be defined as an imaginary community when the images and feelings that hold the nation together draw on inventions? If the existence of an imagined community depends on the perceptions and feelings shared by members, then such a community can only be seen as imaginary if claims concerning its existence depend on a fallacious description of these feelings and perceptions. If, however, the members' image of their nation, as well as their collective consciousness, their memories, and their feelings of fraternity rest on mistaken or invented grounds, the community exists and is in no way imaginary.[4]

Since the existence of an imagined community depends on shared images and feelings, the community's boundaries are defined by the range of these attributes. Why does a person share communal feelings with some individuals rather than with others? In a case of friendship or love, the range of feelings may be determined by a set of personal characteristics: tastes, desires, preferences, affinities, and the like. But with nationhood, the process of demarcation is far more complicated.

[4] The feelings of individuals toward others may often rest in a misguided perception of social events or of the feelings of these particular others, and these misunderstandings may sometimes cause offense and personal grief. But these unfortunate results merely reflect the fact that these feelings, even though nurtured on erroneous grounds, are genuine.

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The boundaries of national consciousness are not defined by personal attributes, and personal tastes are not a criterion of membership. How, then, do individuals define the boundaries of the nation they belong to? How do they construct its image?

The books reviewed here cite many examples showing that, in constructing an image of a nation, a large set of variables plays a role: religion, language, law, geographical isolation, economic considerations, bureaucratic decisions, colonial policies, and the like. Do images of nations created under radically different circumstances, and on the basis of different variables, share common features? This is an interesting question. If these images share no common ground, they perhaps should not be placed in the same category while, if they do, the definition of nation ought to emphasize this common denominator.

The paramount common denominator of all nations is a national consciousness fostering feelings of belongingness and national fraternity. This common denominator, rather than the specific conditions that led to its emergence, should thus be placed at the center of the definition of nation. Looking at the definition of another imagined community, that of friends, may help clarify this claim. *The Oxford English Dictionary* defines a friend as "one joined to another in intimacy and mutual benevolence." This definition does not mention the causes leading individuals to develop feelings of intimacy and mutual benevolence, and merely describes the outcome. Similarly, the reasons leading individuals to share feelings of fraternity and exclusivity and a belief in a common ancestry should not be part of the definition of nation. Both cases show that when the reasons for the emergence of feelings characteristic of these relationships are mistaken for the typical features themselves, an inadequate definition results.

A nation, argues Smith, is a "named human population sharing an historic territory, common myths and historical memories, a mass public culture, a common economy and common legal rights and duties for all members" (p. 14). In this definition, Smith mixes together reasons for the emergence of a nation (a shared historic territory, a common economy, and a common legal system) with the results, (sharing a myth and historical memories).

These conditions can, but do not necessarily, give rise to national feelings. Individuals may share a territory and even historical memories without seeing themselves as members of the same nation, as is usually true for nations competing for the same piece of land. The Israeli-Palestinian conflict clearly shows that a shared territory and common historical memories can be divisive rather than unifying. Living

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together in the same territory and under the same government, or even sharing economic and legal systems, may fail to blend different communities into one nation, as attested by the political reality in Canada, Belgium, the former Yugoslavia, and Czechoslovakia. For every case in which one of these features led to the emergence of a nation, we could point to another where the same features were present but no nation emerged. Clearly then, the definition of nation cannot be contingent on these features but must depend only on their possible outcomes. Hence, a definition of nation *should not* specify the causes leading to the emergence of nations but should stress those features common to communities that fall under the definition of nation and distinguish them from other imagined communities.

A nation, then, may be defined as a community whose members share feelings of fraternity, substantial distinctiveness, and exclusivity, as well as beliefs in a common ancestry and a continuous genealogy. Members of such a community are aware not only that they share these feelings and beliefs but that they have an active interest in the preservation and well-being of their community. They thus seek to secure for themselves a public sphere where they can express their identity, practice their culture, and educate their young.

The first aspect of nationhood is that individuals see themselves affiliated with and committed to other members. But fraternity, unlike friendship, love, or political camaraderie, is not based on intimate relations, personal tastes, or a community of particular values.[5] It is grounded in a view of the nation as a community of common descent and fate. Members of such a community see themselves sharing a common destiny and view their individual success and well-being as closely dependent on the prosperity of the group as a whole. They relate their self-esteem and their accomplishments to the achievements of other group members and take pride in the group's distinctive contributions. Consequently, they develop feelings of caring and duty toward one another. These feelings are exclusive and apply to members only.

Yet feelings of fraternity may also be shared by women, homosexuals, vegetarians, Freemasons, members of a university, members of the kibbutz movement, or inhabitants of a local community, not one of which is commonly considered a nation. While these groups share

[5] Members of some nations may conceive of the uniqueness of their nation in terms of the values it fosters. The national culture will be seen as an expression of these values, the national history will be described as a struggle to ensure their protection and spread, and national education will be couched in their terms. Individuals who defy these values would seem to betray the nation—as the history of the term *non-American* testifies.

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some features included in the definition of nation, they lack one or more of the other components of the definition. This indicates that each component of the definition is a necessary but not a sufficient condition of nationhood.

Women and homosexuals are not nations because their persistent historical presence is not a continuity of kinship, nor can it be, whereas national continuity embodies a strong sense of genealogy. Namely they can assure continuity of their group only by what might be called "intermarriage"—by producing children together with members of other groups who are of the opposite gender. Vegetarians and members of the kibbutz movement are not nations because both these groups uphold an ideology that they consider appropriate to the whole of humanity; their exclusivity is therefore contingent. National exclusivity, on the other hand, is categorical; the fact that the particular features of a group do not apply to the whole of humanity is not seen as either contingent or undesirable. National features are supposed to be restricted in scope and should not apply to nonmembers. Members of most nations do not believe that their culture, their language, or their traditions are appropriate to the whole of humanity.[6] In fact, they may view the restricted scope of national characteristics as a reason for pride rather than concern.

Freemasons or a university are not nations because their exclusivity is elitist and a function of individual attainments, whereas national exclusivity and fraternity are populistic and based on membership rather than achievement. Neither group believes that its members share a common ancestry.

The exclusion of local communities, to which all criteria of the definition of nation can be applied, is more complicated. A nation is a community whose members share feelings of distinctiveness and exclusivity, but a local community can also share these features. The French think that they share such features, but so do the Parisians. Why do Parisians not constitute a nation? Two answers are possible. First, Parisians will be part of the French nation for as long as they share with other members of that nation feelings of fraternity, a belief in a common ancestry, and a continuous genealogy. As long as such feelings persist, members of national subgroups will see themselves as members of the same nation. Second, their national identity will be French rather than Parisian as long as the former identity provides a

[6] In the era of colonialism some nations (mostly France but also England and Spain) did see their culture in missionary terms—as a good that had universal value and whose benefits should be extended to the rest of the world.

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better, more informative description of their personal identity. This is the essence of national character, a concept much disliked at present, which assumes that those features characteristic of a nation—language, history, culture, religion, geography—are among the most substantive components of individual identity. If some feature of the local identity, say local dialect or culture, becomes a more substantial element of personal identity than the analogous national feature, national identity is endangered. If, for example, the Parisian dialect ever differs from other French dialects as much as it differs from Italian or Spanish, then such a divergence in language might encourage the development of a new, separate Parisian identity.

The last question is: Do states fall within the boundaries of my definition of nation? The answer is simple—they do not. Any definition of the concept *state* must refer to the institutional sphere and, in principle, need not allude at all to the feelings and beliefs of its members. States that appear to fit my definition of nation do so because they are nation-states, and what accords with my definition are the national rather than the state elements in the combination.[7]

In *Nationalism: Five Roads to Modernity*, Greenfeld claims that the term nation has developed in a zigzag pattern. At each stage, the meaning of the term carries certain semantic baggage that evolves out of its usage in a particular situation. When circumstances change,

> aspects of the new situation, which were absent in the situation in which the conventional concept evolved, become cognitively associated with it, resulting in a duality of meaning. The meaning of the original concept is gradually obscured, and the new one emerges as conventional. When the word is used again in a new situation, it is likely to be used in this new meaning, as so on and so forth. (p. 5)

Greenfeld specifies nine stages in the development of the term *nation*. The term comes from the Latin word *natio*, meaning "something is born," and it is first used to refer to a group of foreigners. It then comes to indicate communities of students from geographically or linguistically related regions. Owing to the particular structure of university life in the Middle Ages, such communities functioned as support groups or unions, and their members developed common opinions and took the same side in scholastic debates. Nation thus acquired a new meaning, referring to a community of opinion and purpose. Since universities used to send representatives to adjudicate serious ecclesiastical

[7] I discuss the differences between the terms *state* and *nation* rather extensively in Yael Tamir, *Liberal Nationalism* (Princeton: Princeton University Press, 1993).

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debates in church councils, when the term entered its third stage it was applied to various parties in the "ecclesiastical republic." Spokespersons for these approaches were part of the religious elite, and nation thus came to be identified with "the representatives of cultural and political authority or a political, cultural and then social elite" (p. 5).

In England at the beginning of the sixteenth century, the term entered its fifth stage, in which it started to apply not only to the elite but also to the population at large, thus becoming synonymous with the word *people*. This semantic transformation, Greenfeld argues, signaled the emergence of the first nation, in the sense that we understand and use the term today, and launched the era of nationalism. The term then entered its next stage where it referred to the masses at large thus elevating them to the position of an elite. As it began to refer to the populace and the country, the term *nation* came to be understood as "a sovereign people." Finally, in the last two stages of its development, the term was associated first with other populations and countries, and then with a "unique sovereign people."

Greenfeld supports her analysis with a detailed and absorbing discussion of five test cases—England, France, Russia, Germany, and the United States. Nevertheless, I argue that her findings could be interpreted differently to show that, notwithstanding the vast social and political changes the world has undergone, the term *nation* has retained a stable, unchanging core meaning. Greenfeld's notion that the word *nation* first appears in reference to a group of foreigners implies that the origin of the word is closely related to the need to distinguish "us" (locals) from "them" (aliens). According to *The Oxford English Dictionary*, the term *foreigner* means "alien to or from; dissimilar; introduced from the outside." In a world where all individuals are similar and insiders, terms like foreigner and nation may thus be useless. From its inception, then, the term *nation* was used to distinguish between distinct and finite groups.

Hence, it is not surprising that, at the second stage, nation distinguished among communities of students coming from distinct geographic and linguistic regions. Had all the students come from the same area, or had there been no significant differences among individuals from these various regions, this distinction would have been pointless. In the next two stages, the term is first identified with a community of opinion and then with the representatives of a cultural or political group. Nation thus became identified with an elite—not with a general, unidentified elite, but with that of a particular community.

The next step was almost obvious: the term *nation* turned from a

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definition of the delegates of a specific group into a definition of the group itself. The fact that such disparate groups established nation-states of their own—first in England and France and then in the rest of Europe, South America, Africa, and Asia—created a close link among modern states and nations. The term thus came to be applied to every unique people, as well as to states whose political culture and institutions reflected the distinctive characteristics of these groups.[8]

A comparison between the first stage, when nation applied to a unique group of foreigners, and the last stage, when it applies to a unique people, shows that its meaning is surprisingly stable. Thus the various stages of the term's development differ in the application of the term, not in its content: whereas in the first stage nation is used by insiders to define outsiders, in the last one it is used by a community to define itself as well as others. These changes in application could be ascribed to the fact that, under conditions of restricted mobility, less awareness of the existence of other communities might be expected, and a term such as nation could thus seem superfluous. Immigration and travel bring home the awareness of other communities, shedding new light on the identity of individuals, who come to see themselves as members of a particular community. In a world characterized by the free flow of information and by massive waves of immigration, all groups are forced to recognize their own particularity.

The mid-twentieth century marks the emergence of yet another stage of the term's evolution, in which national groups begin to recognize their own inner diversity. Hyphenated designations, such as African-Americans or Italian-Americans, emerge for the purpose of differentiating these groups from one another. At present, the dominant group of white Protestants does not need a name to distinguish itself from other groups who may be viewed as exceptions (namely, foreigners), and need particular names. An increasing use of the term *white-Americans* would clearly indicate that this group sees itself as having the same status as every other, and that we no longer have rules, only exceptions.

We can thus conclude that all along the zigzag path sketched by Greenfeld the term has retained a core meaning—that of an exclusive and limited community whose members share some unique, defining characteristics, and are connected by feelings of fraternity. Hence, Greenfeld's claim that "a nation coextensive with humanity is in no

[8] For an analysis of the sources of confusion between *nation* and *state* see Yael Tamir, "The Right to National Self-Determination," *Social Research* 58, no. 3 (1991).

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way a contradiction in terms" is, in light of her own data, unfounded (p. 7). No nation, argues Anderson, "imagines itself continuous with mankind," and all nations see themselves as having some distinctive features (p. 7). Inherent in nationalism is a recognition of the existence of others. It is the way in which the national group treats these others that distinguishes polycentric nationalism, which respects the other and sees each nation as enriching a common civilization, from ethnocentric nationalism, which sees one's own nation as superior to all others and seeks domination.[9]

The definition of nation I suggest fits all the stages described by Greenfeld, as well as all the groups Anderson and Smith identify as nations. It points to the heart of the national experience—the presence of shared feelings and perceptions, and a shared desire to collectively protect and foster the national identity—and is independent of contingent reasons fostering the emergence of particular nations. Furthermore, this definition touches the source of nationalism's exceptional power—the view of the nation as a continuous community that influences one's perception of oneself, as well as of one's past and future.

The Power of Nationalism

The definition of nation I have been considering suggests that nationalism plays a central role in the shaping of individual consciousness, beliefs, and self-perception. But is national identity more significant than other types of social identity? Liberalism and socialism invite individuals to see themselves as part of humanity at large; Marxism tells them that class membership should overshadow all others; feminism urges them to give priority to gender-based identity; while nationalism encourages them to see themselves as contextualized, as members of a particular continuous community. Is this self-image more appealing than all others? In an attempt to answer this question, Smith's *National Identity* makes a significant contribution to our understanding of nationalism.

The power of nationalism, argues Smith, should be attributed to the fact that membership in a nation provides "a powerful means of defining and locating individual selves in the world through the prism of the collective personality and its distinctive culture" (p. 17). Although his statement captures the importance of national identity, it does not

[9] Note that even the term *ethnocentric*—putting one's ethnic group at the center—implies an acknowledgment that other groups exist on the periphery.

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support the claim that this is the most important collective identity. To do so, Smith would have to point out the advantages of a national identity over all others. Gender identity is as entangled in our self-image as national membership, class solidarity influences our self-perception no less than national fraternity, and cultural and regional affiliations are often as distinctive as national ones. All these identities are characterized by particular attributes that distinguish members from outsiders and allow individuals to locate themselves within a defined collective context. Why are the identities they generate less effective than national identity? In an attempt to explain the supremacy of national identity, Smith points out the qualities that make it the best candidate for providing individuals a place in the world, enabling them to contend with the changes and uncertainties characteristic of modern existence. His argument, however, is not entirely convincing and leaves several questions unanswered.

National identity is more powerful than gender, Smith argues, because members of the same gender are geographically separated, divided by class, and ethnically fragmented. They must therefore "ally themselves to other, more cohesive identities, if they are to inspire collective consciousness and action" (p. 10). This argument, however, can easily be reversed: members of the same nation may be geographically concentrated, but they are scattered in different regions, divided by class and gender, and, at times, also by religion, race, and even language. Hence, it is not clear why national identity, unlike gender, need not ally with other identities when attempting to inspire collective consciousness and action.

Local or regional identities, argues Smith, cannot compete with national identity because they are not stable. "Regions can easily fragment into localities, and localities may easily disintegrate into separate segments" (p. 10). But Smith's own studies, as well as many other recent works on nationalism, demonstrate that national identities can also be unstable. In fact, in the last century, many individuals changed their national identity at least twice while living in the same geographical region—from Lombardians to Italians, from Walloons to Belgians, from Latvians, Ukrainians, and Uzbeks to Soviet citizens, from Serbs and Croatians to Yugoslavians, and then back to their original identity. On what grounds can we claim that, as a rule, local affiliations are less effective than national ones in promoting a stable identity? Moreover, larger regional identities—European, Asian, African, American—are clearly more stable than both national and local identities. So, why should they be less important than national ones?

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Smith also considers class identity ineffective because economic factors fluctuate rapidly over time, thus limiting the chances of preserving different economic groups within a class-based community. Moreover, given its limited emotional impact and its cultural shallowness, class identity seems to Smith an inadequate basis for an enduring collective identity. Although it seems true that in modern, mobile societies, class identity may be less stable than national identity, we can still wonder whether, for instance, proletarians belonging to different nations share more interests than members of different classes who belong to the same nation. If they do, why should they subordinate the interests they share with members of the working class to the interests they share with members of their own nation who are now exploiting them?

Smith's answer again alludes to the continuous, stable nature of the national group. National identity, he argues, is more meaningful than all other identities because it is more stable. Note, however, that the term *stable* might be slightly confusing, as it fails to capture the emotional dimension embedded in notions such as continuity, common descent, and shared destiny.

Anderson also attributes the strength of nationalism to the perception of the nation as a community of shared fate. Dying for one's nation, he argues, assumes a moral grandeur that dying for the Labour Party, the American Medical Association, or even Amnesty International cannot rival. Unlike the nation, "these are all bodies one can join or leave at easy will" (p. 144).[10]

Membership in a nation, unlike membership in a gender, class, or region, thus enables an individual to find a place not only in the world in which he or she lives, but also in an uninterrupted chain of being. Nationhood promotes fraternity both among fellow members and across generations. It endows human action with a meaning that endures over time, thus carrying a promise of immortality. These features are desperately needed in an ever-changing, urban, technological age. In this sense, I would argue, nationalism is not the pathology of the modern age but an answer to its malaise—to the neurosis, alienation, and meaninglessness characteristic of modern times. The power of nationalism can thus be attributed to the following four features, all of which are variations on one theme, namely, transgenerational, genealogical continuity.

[10] I accept Anderson's claim that it is the perception of the nation as a community of fate that generates the readiness to die for one's country. I contest, however, his claim that voluntary associations cannot muster this type of devotion. For a more detailed analysis of this issue, see Yael Tamir, "Reflections on Patriotism," in E. Staub, ed., *Patriotism: Its Role and Manifestations in Individual and Group Life* (Chicago: Nelson Hall, 1995).

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1. *Membership in a nation promises individuals redemption from personal oblivion.* In a secular era, Smith argues, identification with the nation is "the surest way to surmount the finality of death and ensure a measure of personal immortality" (p. 160). Anderson makes a similar point when he argues that the effectiveness of nationalism stems from its transcendence of contingency, shifting finite human actions to the realm of the eternal.

As long as the nation endures, it will show gratitude to all who struggle and sacrifice their lives for its survival. It will turn them into heroes, perhaps canonize them, even if they come from vile or ignoble background. In this sense nationalism is an egalitarian ideology, as is best illustrated by the uniformity of military cemeteries, where rich and poor, educated and illiterate, all lie below identical tombstones in a paragon of equality and fraternity.

King Henry's famous speech in Shakespeare's *Henry V* conveys this notion well. On the verge of their almost certain death in a battle fought on Saint Crispin's day, King Henry promises his men immortality. Even the base and evil among them are offered a path to redemption, a chance to attain glory by entering the national pantheon.

> . . . Crispin Crispian shall ne'er go by,
> From this day to the ending of the world,
> But we in it shall be remembered;
> We few, we happy few, we band of brothers.
> (*Henry V,* act 4, scene 3)

This promise is only meaningful because King Henry and his men are convinced that England will go on until "the ending of the world," or else the memory of this glorious battle, and with it the promise of immortality, would surely wither away.

2. *Identification with a nation gives individuals hope of personal renewal through national regeneration.* The notion of national identity clearly shows that the personal status and self-esteem of individuals reflect the condition of their nation. When a nation is in decay, its members' pride suffers with it, and when it flourishes, they prosper too. This is a central theme in Rousseau's *Address to the Polish Nation* (1772) and in Johann Fichte's *Address to the German Nation* (1807), as in many other nationalist texts.

National indignation was the prevalent mood when Fichte delivered his address. The Germans, he argued, could persist in their destructive search for self-satisfaction and thereby continue to suffer deprivation, humiliation, the scorn of their conqueror, and the evil of serfdom; or they could bestir themselves and strive to regain Germany's unity and

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honor. This was their duty to their ancestors as well as to their future generations.

> There comes a solemn appeal to you from your descendants yet unborn. "You boast of your forefathers," they cry to you, "and link yourselves with pride to a noble line. Take care that the chain does not break off with you; see to it that we, too, may boast of you and use you as an unsullied link to connect ourselves with the same illustrious line."[11]

Although this generation is now abased, argues Fichte, it can live to see the German name reestablish itself as "the most glorious among all people," and the German nation as the "regenerator and re-creator of the world."[12] By presenting the dim and desperate present as only one link in a long chain of events, as a transient phase along a triumphant path, Fichte offers his contemporaries the prospect of hope and pride. All the despair and humiliation, as well as all the hope and glory enfolded in the nationalist experience, are expressed in these words. Hence the continuous existence of the nation provides individuals with a glorious past they can admire and a no less glorious future they can aspire to share. Pride in the past and hope for the future give them power to cope with their present humiliation and fight for the nation's redemption.

3. *Membership in a nation offers rescue from alienation, solitude, and anonymity.* By fostering the ideal of fraternity, nationalism grants individuals the feeling that they are not alone, that they are cared for, and no less significantly, that they have someone to care for. This caring is not based on personal liking or achievements but on membership, on the fact that we are all a part, an organic part, of a natural social entity that has no beginning or end. Membership in a nation is seen as a partnership transcending the life span of individuals, thus promising the members of each generation that their descendants will care for them as they, in turn, cared for their forefathers.

4. *National membership assures individuals that, qua members, they enjoy equal status.* Greenfeld rightly argues that, when the term *nation* came to refer to the populace at large rather than to the elite only, it allowed each member of the people to feel that he or she partook of a superior elite quality. Nationhood thus had an elevating effect that membership in a gender or class could not have. Consequently, Greenfeld argues, class and status differences became superficial, and the stratified national populace was perceived as essentially homogeneous.

[11] Fichte, *Address to the German Nation* (New York: Harper Torchbooks, 1968), 226–28.
[12] Ibid., 215.

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Greenfeld goes on to state that the allocation of sovereignty to the people and the recognition that various social strata are, fundamentally, political equals are basic tenets of both nationalism and democracy. Democracy was thus

> born with the sense of nationality, the two are inherently linked, and neither can be fully understood apart from this connection. Nationalism was the form in which democracy appeared in the world, contained in the idea of the nation as a butterfly in a cocoon. (p. 10)

This claim, however, is somewhat misleading. The equality that membership in a nation accords is not a democratic one. Nationhood grants individuals a feeling of belonging and a sense of mutuality, but it does not eliminate divisions of class, gender, and status, and in this sense, it is similar to membership in a family. Belonging to a family grants all members equal standing qua members, but most families remain hierarchical, as attested by the term *heads of families* (applied to agents as different as philosophers and revenue officers). Children, young adults, the elderly, and often women all have a different status. Although all are equal members, this equality, unfortunately, is not translated either conceptually or practically into other aspects of family life. Greenfeld thus moves far too quickly from national to liberal democratic beliefs. Moreover, she overlooks the fact that the conviction regarding the equality of all human beings rests, first and foremost, on a religious rather than a national set of beliefs.

This is evident from Locke's *Second Treatise on Civil Government* (1690), which establishes the equality of man on the following grounds:

> The state of Nature has a law of nature to govern it, which obliges every one, and reason, which is that law teaches all mankind who will but consult it, that being all equal and independent, no one ought to harm another in his life, health, liberty or possession; for men being all the workmanship of one omnipotent and infinitely wise Maker; all the servants of one sovereign Master, sent into the world by His order and about His business; they are His property, whose workmanship they are made to last during His, not one another's pleasure.[13]

Surely, these are not nationalist beliefs.

A more accurate and less sentimental description of the relations among nationalism and democracy is provided by Niran, who claims that the arrival of nationalism, in a distinctively modern sense, was tied to the political baptism of the lower classes.

[13] John Locke, *The Second Treatise on Civil Government* (1690; reprint, London: Prometheus Books, 1986), 9–10.

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> Although sometimes hostile to democracy, nationalist movements have been invariably populist in outlook and sought to induce lower classes into political life. In its most typical version, this assumed the shape of restless middle-class and intellectual leadership trying to set up and channel popular class energies into support for the new states.[14]

Nationalism may be part and parcel of the humanist tradition, but I see no virtue in equating or conflating it with a democratic or liberal set of principles. Although I would be the last to claim that a liberal democratic version of nationalism is not possible, turning it into the only possible version seems both inaccurate and misleading.

The kind of equality that nationalism grants fellow nationals is not necessarily political but communal. Long after the birth of English nationalism, which Greenfeld dates to the mid-sixteenth century, English philosophers such as Locke and Mill did not believe that the metaphysical equality of men, or their equal standing as fellow nationals, ought to carry egalitarian political implications, namely, that every human being should have equal political rights. If nationalism was necessary for the development of democracy, it was not because it established political equality but because it gave a rationale for the division of the world into distinct political units in which democratic principles could be implemented.

Greenfeld's tendency to conflate democracy and nationalism results from confusing the subtle differences between nationalist values and national values, that is, between values fundamental to a nationalist way of thinking and values shared by members of a nation. The belief in liberal democratic values may be constitutive of the national culture of some nations—of the English and American national cultures, for example—yet these values are not nationalist values in that they are not inherent to the national way of thinking.

Greenfeld's significant contribution is not the joining of nationalism and democracy, but rather her sensitivity to the potential of nationhood to elevate every member of the community that it made sovereign. Her claim goes to the heart of the nationalist phenomenon and points to the origins of its power. She rightly argues that national identity is fundamentally "a matter of dignity. It gives people reason to be proud" (p. 487).

The belief that a nation is chosen and its land is holy strengthens this sense of national dignity. Not surprisingly, then, nationalists from all the following nations explicitly refer to their people as chosen and

[14] T. Niran, *The Break-up of Britain* (London: NLB, 1977), 41. Note that Anderson questions the universal validity of Niran's claims (pp. 47–49).

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to their land as the promised one: Egypt, England, France, Germany, Iran, Ireland, Israel, Poland, Russia, Spain, Sweden, Switzerland, and, especially and insistently, the United States, where this theme was taken up by both whites and blacks.[15] The tendency to sanctify one's nation alludes to the kind of dignity that national membership bestows upon its members, one that aspires to transcend human action and voluntary social contracts and move on to the transcendental realm.

England's domination of eighteenth-century Europe and the West's influence in the world as a whole "made nationality the canon. . . . Societies belonging or seeking entry to the supra-societal system of which the West was the centre had in fact no choice but to become nations" (p. 14). Every group of individuals thus had to organize within a national framework, namely, to present itself as a continuous community with a glorious past and a no less promising future. Anderson offers many examples of these efforts. One of the most interesting is that of President Sukarno, who spoke with complete sincerity of the 350 years of colonialism that "his 'Indonesia' had endured, despite the fact that the very concept of 'Indonesia' is a twentieth century invention" (p. 11). To reinforce the notion of the antiquity of his nation, Sukarno adopted the nineteenth-century Javanese Prince Diponegoro as a national hero, as the liberator of Java. The prince himself, however, as his memoirs show, had no intention of liberating the land or expelling the Dutch; indeed, he had no concept of the Dutch as a collectivity but wanted to conquer Java and rule over it.

The nationalists' proclivity to invent a past for their nations attests to the importance of the notion of continuity for our understanding of nationalism's power. Indeed, the proliferation of nationalism can be explained by reference to other factors, especially to the functional role it has played in the emergence of the modern state: it allowed the mobilization of the masses, justified general conscription, taxation, and education. Nationalism created markets that allowed print-capitalism to flourish and provided status and opportunities for the intelligentsia. These functional roles, however, assume a parasitic relationship to the role played by nationalism at the personal level. Nationalism acquired its mobilizing power and could play a functional role in modern politics only because individuals internalized the view of the nation as a special community exhibiting historical continuity and a collective destiny, as a source of personal and collective pride, and as a shelter of

[15] Conor C. O'Brien, "Nationalist and Democrats," *Times Literary Supplement* (August 15, 1991), 29.

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care and support in an alienating modern and secular world.

The books reviewed here point to the contrast between the antiquity and continuity of nations in the eyes of nationalists and their evident modernity and instability in the eyes of sociologists and historians. It is truly ironic that the power of nationalism depends precisely on those aspects of the nation's image least supported by research evidence.

The Truth-Content of National Beliefs

Nationalists tend to create their own narratives to interpret historical events in ways that fit their needs, to renew languages artificially, to mimic other nations, and to appropriate foreign traditions as their own. Motivated by a desire to connect their nation to a remote and illustrious past, nationalists do not hesitate, whenever necessary, to invent such links. Modern Iraq thus claims to find its roots in Babylon, Egyptians see the pharaohs as their genealogical forefathers, Greeks trace a direct line to Hellenic culture, and Mexicans point to their link with the Aztecs. Although the accuracy of these claims is often questionable, their functional role remains intact. Nationalists have long understood, Smith argues, that the criterion of national dignity "is the felt antiquity of a community's ethno-history, *irrespective of its truth-content*" (p. 161). This is the bar at which they must make their appeal for national assertion.

> The truth-content of unearthed memories is less important culturally and politically than their abundance, variety and drama (their aesthetic qualities) or their example of loyalty, nobility and self-sacrifice (their moral qualities) that inspire emulation and bind the present generation to the "glorious dead." (p. 164)

Smith is not the first to argue that truth is of minor importance in national claims. In his famous essay "What Is a Nation?" Ernest Renan claims that a nation is a group of individuals who cherish and retain their shared history but remember it selectively, ready to forget some of its less pleasant episodes.[16] Hence, French citizens should forget "la Saint-Barthelemy" or "les massacres du Midi au XIIIième siècle." As Anderson rightly notes, Renan sees no need to describe these episodes in French history assuming that his readers remember what they ought to have forgotten. Why this conscious attempt first to remember and then to forget these events? They ought to be remembered because

[16] See Ernest Renan, "Qu'est-ce que c'est q'une nation?" in *Oeuvres complets* (Paris: Colmann Lévy, 1947).

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these religious conflicts were important turning points, and ought to be forgotten because these were wars among fellow Frenchmen. As Anderson reminds us, this attitude is not typically French in any way. The American educational system encourages a view of the 1861–65 armed conflict between the Union and the Confederate States as a civil war within one state and not between, "as they briefly were, two sovereign states" (p. 201). Similarly, English-history textbooks intentionally obscure the answer to the disquieting question what or whom did William the Conqueror conquer?

> The only intelligible modern answer would be "Conqueror of the English," which would turn the old Norman predator into a more successful precursor of Napoleon and Hitler. Hence "the Conqueror" operates as the same kind of ellipsis as "la Saint Barthelemy" to remind one of something which one is immediately obligated to forget. Norman William and Saxon Harold thus meet on the battlefield of Hastings, if not as dancing partners, at least as brothers. (p. 201)

Deliberate forgetfulness and misrepresentation of historical facts thus seem to constitute an important, and perhaps indispensable, feature of nation building. Nevertheless, although Anderson and Smith offer ample evidence of the fact that national identity is often based on false or, worse still, intentionally misleading beliefs, they do not discuss the implications of these findings.

One of the very few references to this issue is found in an essay by David Miller who explores the relationship between the truth of national beliefs and the nature of national obligations. He does agree with Smith and Anderson that the existence of a nation depends on "whether its members have the right beliefs; it is not part of the definition that the beliefs should in fact be true."[17] For individuals to be able to cultivate national feelings, it is important that the story the nation tells itself about its past should be generally believed, but it need not be historically accurate.

But why must national feelings rely on the nation's felt antiquity or continuity? Why do nationalists find such difficulty in conceding that "those entities that we unthinkingly experience as 'natural' are in fact 'cultural'; made by us, not given to us," and force themselves to invent for their nation a history even at the cost of self-deception?[18]

Communities are no less valuable because they are a human creation whose endurance cannot be guaranteed. The desire for guarantees that our community is eternal and secure in some objective haven may be

[17] Miller, "The Ethical Significance of Nationalism," *Ethics* 98 (1988), 648.
[18] L. Hutcheson, *The Politics of Postmodernism* (London: Routledge, 1989), 2.

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no more than a craving for the certainties of childhood or the absolute values of our primitive past. Paraphrasing the closing sentences of "Two Concepts of Liberty," one may argue that to realize the contingency of one's community and yet stand for it unflinchingly is what distinguishes civilized people from barbarians: "To demand more than this is perhaps a deep and incurable metaphysical need; but to allow it to determine one's practice is a symptom of an equally deep and more dangerous, moral and political immaturity."[19]

A more self-conscious type of nationalism will be less riddled with inconsistencies and dilemmas and is therefore warranted. But will this type of nationalism be able to play the same social role filled by its predecessor? The answer to this question, as yet undisclosed, goes to the heart of the national experience.

[19] Isaiah Berlin, "Two Concepts of Liberty," in *Four Essays on Liberty* (New York: Oxford University Press, 1969), 172.

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THE STATE OF THE (EUROPEAN) UNION
From the Single Market to Maastricht, from Singular Events to General Theories

By JEFFREY J. ANDERSON*

William James Adams, ed. *Singular Europe: Economy and Polity of the European Community after 1992*. Ann Arbor: University of Michigan Press, 1992, 388 pp.

Robert Keohane and Stanley Hoffmann, eds. *The New European Community: Decisionmaking and Institutional Change*. Boulder, Colo.: Westview Press, 1991, 208 pp.

Alberta Sbragia, ed. *Euro-Politics: Institutions and Policymaking in the "New" European Community*. Washington, D.C.: Brookings Institution, 1992, 303 pp.

Dennis Swann, ed. *The Single European Market and Beyond: A Study of the Wider Implications of the Single European Act*. New York: Routledge, 1992, 299 pp.

EUROPEAN integration has taken two major strides since the mid-1980s: the Single European Act (SEA), implemented in 1987, and the Treaty on European Union (TEU), which took effect in 1993. The former established the now-famous deadline of December 31, 1992, for completion of the internal market. It also introduced procedural innovations—an extension of qualified majority voting in the Council of Ministers, coupled with the creation of the "cooperation procedure" for the European Parliament (EP)—that heralded a break with the principle of consensual decision making set out in the Luxembourg Accords of 1966. The TEU built on this legacy by augmenting the parliament's powers and enlarging the scope of qualified majority voting in the Council yet again. In addition, it added two new "pillars" of intergovernmental cooperation to the one supporting the European Economic Community (EEC): common foreign and security policy

*My thanks to Simon Bulmer, John Goodman, Peter Katzenstein, Michael Keating, Lisa Martin, Eric Nordlinger, Louise Richardson, Hector Schamis, Celeste Wallander, and Alan Zuckerman for their helpful coments and suggestions.

World Politics 47 (April 1995), 441–65

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and internal security. The core of the treaty is the phased introduction of economic and monetary union (EMU) by 1999.

By any measure, these are considerable achievements, yet they have elicited little celebration or self-congratulation on the Continent. The Maastricht summit, which gave birth to the TEU in December 1991, ignited the political equivalent of an existential crisis among the member governments and their increasingly restive publics. In the twenty-three months from summit to enactment, the treaty weathered a failed referendum in Denmark, ratification by the narrowest of margins in France, serious court challenges in Britain and Germany, and the virtual collapse of the European Monetary System. Not only did the treaty emerge tarnished from the ordeal; along the way, the European idea had suffered as well.

The four volumes reviewed here cover a portion of this time line—the period loosely bracketed by the passage of the SEA and the 1991 Maastricht summit. Taken together, they provide a nuanced, comprehensive account of the momentous events leading up to Maastricht. The Swann and Adams volumes contain rich, descriptive accounts of the SEA and of the greater European project embodied in the TEU. The other two restrict their focus largely to the single market initiative and trade empirical breadth for theoretical depth.

Taken together, the volumes also present an accurate picture of the subfield. Readers will discover a basic research agenda that displays a seamless continuity with the earlier literature on the Community. The authors are preoccupied with the "big bangs" of integration, and many continue to utilize the shopworn paradigms of neofunctionalism and intergovernmentalism in their search for a more powerful model of integration. These choices are not without adverse consequences for the identification of research puzzles and for the robustness and reach of their findings. I develop this critique in the first half of the article, with reference to a small but representative subset of the authors in the volumes under review.

In the second half I outline several strategies for amending the dominant research agenda. Some are quite compatible with the traditional focus on "grand bargains" viewed through the prism of conventional integration theory. For example, two established methodological techniques (the comparative method and counterfactual analysis) are conspicuous by their absence in Community studies, yet they can address several glaring weaknesses inherent in current approaches to European integration. Other approaches will require a more profound change in perspective. I argue that we are more likely to generate new

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insights into the growing complexity of the European Union if we pursue theoretical alternatives to the Procrustean bed of neofunctionalism and intergovernmentalism; this growing body of literature includes theories of strategic choice, policy network analysis, and the new institutionalism.

The Single European Act: A Case Study in European Integration

Substantively, these volumes converge on the single market initiative. The choice of subject matter is hardly a mystery; the grandest bargain of the 1980s, much like its predecessors, launched a host of inquiries ranging from descriptive assessments of its origins and implications to ambitious reappraisals of integration theory. Important and well-researched themes include the impact of the SEA on Community institutional arrangements,[1] business responses to the barrier-free market,[2] democratic accountability and legitimacy in the EC/EU,[3] the Community's external relations,[4] and new areas of EC activity, such as social policy.[5]

The vibrancy of any subfield in the social sciences can be gauged by the quality of its internal debates relating to theory building. Is there a consensus about the puzzle? To the extent that existing theory cannot explain it, what alternatives are considered? What are the major points of contention? Do the debates lead to other promising lines of inquiry? Can the resulting theoretical frameworks shed light on subsequent developments in the field of inquiry? These questions are framed best by Andrew Moravcsik and David Cameron, who in separate contribu-

[1] In Keohane and Hoffmann, see Peter Ludlow, "The European Commission"; Wolfgang Wessels, "The EC Council"; and G. Frederico Mancini, "The Making of a Constitution for Europe." In Sbragia, see B. Guy Peters, "Bureaucratic Politics and the Institutions of the European Community"; Martin Shaprio, "The European Court of Justice"; and Alberta Sbragia, "Thinking about the European Future: The Uses of Comparison."

[2] Part 2 of the Adams volume is especially good here, with contributions from several experts on business strategies in the new internal market. Readers will also find useful information in part 2 of Swann.

[3] Shirley Williams, "Sovereignty and Accountability in the European Community," in Keohane and Hoffmann; and Joseph Weiler, "After Maastricht: Community Legitimacy in Post-1992 Europe," in Adams.

[4] In Swann, see Christopher Milner and David Allen, "The External Implications of 1992"; and David Allen, "The European Community and the New Europe." See part 3 of the Adams volume for excellent chapters by William Wallace, John Jackson, Gary Saxonhouse, and John Steinbruner and Susan Woodward.

[5] Dennis Swann, "The Social Charter and Other Issues," in Swann; Peter Lange, "The Politics of the Social Dimension," in Sbragia; and Stephan Leibfried, "Europe's Could-Be Social State," in Adams.

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tions seek to marry the empirical record to larger theoretical issues.[6] As such, their chapters merit serious attention.

The SEA as Case Study: Moravcsik and Cameron

The debate revolves around the point at which the political consensus underpinning the SEA emerged and around those actor(s) most central to the outcome. By locating the initiative within broader structures and interrelationships, both authors avoid weaknesses of neofunctional theories, which viewed integration as internally generated and self-sustaining, and of intergovernmentalism, which depicted a bargaining process among member states immune to the push and pull of domestic politics and to the influence of international institutions. They differ on causal emphasis, although the distinctions may be too subtle to form the core of a dynamic research agenda in this subfield.

Moravcsik directs most of his criticism at neofunctionalist (or "supranational institutionalist") explanations of the SEA, which suggest that a supranational alliance comprising the Delors Commission, the EP, and transnational business bypassed member governments and pushed through the initiative.[7] His chronology dismantles this version of events by documenting that the initiative did not spring full-blown from the head of EC Commission president Jacques Delors after he assumed office in 1985. According to Moravcsik, French president François Mitterrand, acting in his capacity as president of the European Council during the first half of 1984, had already embarked on the campaign to revitalize Europe that eventually culminated in the SEA. Neither transnational business nor the EP figured heavily in the outcome.

Moravcsik treats the SEA as a specific instance of a generic integration process, one best captured by the term "intergovernmental institutionalism." This model rests on three principles. The first is intergovernmentalism: major initiatives are launched, negotiated, and transformed into decisions by the heads of government, acting in the Council of Ministers or the European Council. The preferences expressed in intergovernmental bargaining are the products of domestic politics. The second principle is lowest-common-denominator bargaining. Because of the power and influence of the largest EC mem-

[6] Moravcsik, "Negotiating the Single European Act," in Keohane and Hoffmann; and Cameron, "The 1992 Initiative: Causes and Consequences," in Sbragia. A comprehensive and insightful but essentially atheoretical discussion of the origins and implications of the SEA can be found in David Allen, "European Union, the Single European Act, and the 1992 Programme," in Swann.

[7] This explanation is advanced by Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," *World Politics* 42 (October 1989).

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bers (France, Germany, and Britain), bargaining converges on their minimum common ground. Exceptions may occur when two of the large members threaten the third with exclusion. The third principle is the protection of sovereignty: member states will insist that intergovernmental bargains include explicit limits on sovereignty transfers to the EC.

According to Moravcsik, the SEA bears all the trademark characteristics of the model. Predicated on a convergence of preferences among EC members, it was conceived from start to finish by the heads of government.[8] With a "major exception" brought about by threats of exclusion, the SEA represented the minimum package acceptable to the big three.[9] Finally, the member states restricted qualified majority voting to internal market matters and blocked spillover into the realm of monetary policy.[10]

Cameron's approach to the SEA is more inductive and far less parsimonious. He argues that a complete explanation requires combining elements of neofunctionalism and intergovernmentalism (qua neorealism). Neofunctional dynamics surface in the pressures that spill over from the EMS, the behind-the-scenes lobbying of business firms at the supranational level, pressure from the EP, the entrepreneurial activities of the Commission, and key rulings from the European Court of Justice (ECJ).[11] Neorealist elements were a factor, too, insofar as the political-ideological preferences of member states and intergovernmental bargaining fed directly into the outcome.

Cameron takes issue with Moravcsik on two counts. First, he dates

[8] Preference convergence around the SEA required two major transformations in domestic politics: Thatcher's 1979 accession to power in Britain and the conversion of the French Socialist government to market orthodoxy in 1983.

[9] Moravcsik (fn. 6), 68. The "exception" was Britain's acceptance of qualified majority voting on internal market matters.

[10] Moravcsik (fn. 6) overstates the ability of governments to conserve sovereignty in the aftermath of grand bargains. Contrary to his assertion that the SEA blocked related moves into the field of monetary integration (p. 69), the European Council, drawing on references to economic and monetary union in the preamble of the SEA as well as in Article 102a, asked the Commission in June 1988 to take up the issue and develop concrete proposals. The ensuing report provided the essential building blocks for the section of the Treaty on European Union relating to EMU. There is also evidence that the single market initiative quickly "spilled over" into concrete proposals for a common energy policy and into increased financial commitments and Community competencies in structural policy. The use of qualified majority voting in the Council of Ministers also soon expanded, albeit informally, beyond the limits established by the SEA. For detailed and illuminating discussions of these linkages, see Dennis Swann, "The Single Market and Beyond," in Swann; Brian Tew, "Onwards to EMU," in Swann; Wolfgang Wessels, "The EC Council: The Community's Decisionmaking Center," in Keohane and Hoffmann; Gary Marks, "Structural Policy in the European Community," in Sbragia; and Weiler (fn. 3).

[11] A fine discussion of the functional relationship between the single market and a single currency can be found in Tommasso Padoa-Schioppa, "Key Questions on Economic and Monetary Union," in Adams.

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the emergence of consensus over the SEA not from the 1984 Mitterrand initiative but from June 1981, when the European Council asked the Commission to draft a report on the state of the internal market. The report, submitted late in 1982, contained the core of the 1992 initiative. Cameron goes on to argue that the origins of consensus actually lie in the late 1960s, when the EC's commitment to monetary union—and, by implication, to the completion of the internal market—began to take shape.

Second, Cameron disagrees with Moravcsik's overwhelming emphasis on the member governments. Herein lies his major theoretical contribution to the debate; he stresses the role of the European Council as political executive—"an extra-treaty manifestation of *institutionalized intergovernmentalism*."[12] The neorealist and neofunctionalist impulses that gave rise to the SEA were mediated not only by domestic politics in the member countries but also by the European Council after its creation in 1974. This enabled the member states "to act collectively not only to accelerate but also to control economic integration and supranational institution building."[13]

Thus, the SEA debate revolves primarily around the precise contributions of various actors to the final outcome. Who or what mattered more: Delors or Mitterrand? the Commission? the European Parliament? member governments or subsets thereof? the Council of Ministers? the European Council? transnational and/or national business? These questions flow logically from the way each author frames the puzzle, namely, as a black-and-white confrontation between neofunctionalism, which emphasizes supranational actors, and intergovernmentalism, which stresses the role of the member states. Nevertheless, the empirical evidence drives them to the gray expanses in between.

Their remaining differences arise in large part because each attends to a different part of the puzzle. Moravcsik is interested in the *timing* of the initiative, defined as the drafting and passage of the SEA. Since the EC is a treaty-based institution that privileges the national governments in the decision-making process, it is unsurprising that he paints a picture in which the member states dominate this portion of the landscape.[14] Indeed, one might question his choice of labels, since he

[12] Cameron (fn. 6), 63; emphasis in original. Prior to 1986 the European Council was neither a Community institution defined in the Rome treaty nor a supranational institution along the lines of the Commission. It was included in the treaties by the SEA, although its precise role was left undetermined.

[13] Cameron (fn. 6), 65.

[14] Sbragia discusses the significance of the EC's treaty foundations (fn. 1).

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devotes little attention to the independent role of international institutions in shaping state preferences, strategies, and bargaining outcomes.[15] "Intergovernmentalism plus" might be a more appropriate tag for his framework, with the modifier referring to the domestic political foundations of the preferences of member states.

Cameron, concerned more with the *content* of the single market initiative, sketches a wider assortment of characters and contextual influences. The member governments retain a key role, but they are supplemented by supranational actors like the Commission, and they often act collectively through the European Council to advance integration. Although Cameron at times comes perilously close to saying that everything matters, he draws our attention to a point of fundamental significance: in the absence of the European Council or the entrepreneurial role of the Commission, a very different SEA might well have emerged.

These are fine distinctions, though, that should not obscure the common ground. Both authors acknowledge the centrality of the member governments within the EC and are therefore drawn to domestic political explanations of state power and interests. That said, only Moravcsik makes a systematic attempt to conceptualize the impact of domestic politics on national preference convergence.[16] His arguments, though compatible with Cameron's, are cast in terms amenable to generalization. Unfortunately, this discussion appears at the end of his analysis, almost as a theoretical afterthought, with the result that the competing hypotheses are not well integrated into his case study.[17] Thus, readers will have to make do with what is in fact only the most recent in a long line of exhortations by students of European integration to incorporate domestic politics into their theories.[18] One is reminded of Barrington Moore's trenchant observation about structural functionalists: "They are forever packing their bags for a voyage they never intend to take."[19]

[15] For an alternative account of Community bargaining that places the emphasis squarely on institutions, see Lisa Martin, "International and Domestic Institutions in the EMU Process," *Economics and Politics* 5 (July 1993).

[16] Moravcsik (fn. 6), 69–75.

[17] Moravcsik develops some of these arguments in "Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach," *Journal of Common Market Studies* 31(December 1993). Some might find his image of domestic politics peculiarly pluralist; he depicts a world in which "groups articulate preferences; governments aggregate them" and in which "the net economic interest of producers and popular preferences" determine national preferences (pp. 483 and 517, respectively).

[18] See, for example, Helen Wallace, William Wallace, and Carole Webb, eds., *Policy Making in the European Community* (New York: John Wiley, 1983).

[19] As quoted in Joseph LaPalombara, "Parsimony and Empiricism in Comparative Politics," in Robert Holt and John Turner, eds., *The Methodology of Comparative Research* (New York: Free Press, 1970), 128.

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THE ROAD TO MAASTRICHT: "YOU CAN'T GET THERE FROM HERE"

Even though analyses of the SEA have generated an unusually narrow debate, they may at least still provide insights into later developments. Unfortunately, the events surrounding the Maastricht summit suggest otherwise. To be sure, neither "institutionalized intergovernmentalism" nor "intergovernmental institutionalism" leaves us without a compass in the wilderness. Cameron's catalog of neofunctional and neorealist impulses directs our attention to the spillover effects of the SEA (which raised the political salience of economic and monetary union), to the impetus provided by the Franco-German partnership, and to the executive leadership of the European Council. Likewise, Moravcsik's framework highlights among other things the importance of preference convergence among the larger members, especially France and Germany.[20] Compasses, however, are of limited value when the field map lacks topographical detail and leaves key portions of the terrain uncharted.

Moravcsik posits a tendency toward bargaining outcomes based on the lowest common denominator among French, German, and British preferences, with exceptions resulting from exclusionary threats directed by any two of these members against the third. Exclusion is defined as incomplete or segmented participation in Community decision making, rather than as expulsion from the EC. During the SEA negotiations the Franco-German threat of exclusion aimed at Britain carried considerable weight precisely because the principle of variable participation and obligations—Europe à la carte–did not exist.

Events during and after Maastricht established just such a precedent, which threatens to blunt the analytical edge of his model. The facts are well-known. In return for its assent to the TEU, Britain wrested from its partners exemptions in social policy and economic and monetary union. After its people rejected the Maastricht treaty in a June 1992 referendum, Denmark secured opt-outs in the areas of a single currency, common defense arrangements, European citizenship,

[20] The changes of heart in France over political union and in Germany with respect to monetary union can be traced broadly to the end of the cold war and specifically to German unification. See Ernst-J. Mestmäcker, "The New Germany in the New Europe," in Adams; Stanley Hoffmann, "French Dilemmas and Strategies in the New Europe," in Robert Keohane, Joseph Nye, and Stanley Hoffmann, eds., *After the Cold War: International Institutions and State Strategies in Europe, 1989–1991* (Cambridge: Harvard University Press, 1993); and Jeffrey Anderson and John Goodman, "Mars or Minerva? A United Germany in a Post–Cold War Europe," in Keohane, Nye, and Hoffmann.

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and internal security cooperation in exchange for holding a second (and ultimately successful) referendum in May 1993. Although observers may differ on the significance of these specific exemptions, the TEU and attached protocols established an important precedent, opening the door to a multitrack Europe in which the treaties and resulting secondary legislation do not apply uniformly to each member.

These developments are troublesome for intergovernmental institutionalism, because threats of exclusion have now lost some of their power to drag members into a collective, uniform, and binding agreement.[21] In fact, early indications suggest that in theory at least many members now view exclusion as a legitimate option, however difficult it may be to achieve in practice. Henceforth, EU bargaining is likely to exhibit a degree of complexity and uncertainty that will outpace the model's predictive capabilities. This point is worth exploring.

Intergovernmental institutionalism specifies two possible bargaining outcomes: either a binding decision based on the lowest common denominator among the big three or a binding decision that represents some threat-generated increment over and above the lowest common denominator. To these must now be added a third possibility: a segmented outcome. In this scenario some members apply to themselves a binding decision based on their lowest common denominator (or something more, if threats of exclusion carry weight among them), while the remaining member or members negotiate a modified set of binding rules and obligations. Although the final package agreement is binding on all, the content of the decision does not apply uniformly to each member. In these circumstances the lowest common denominator, even among the largest three (assuming it can be ascertained),[22] no longer provides a clear benchmark for assessing the aggregate outcome. Thus, unless intergovernmental institutionalism can be sufficiently modified to capture the complexities introduced by the Maas-

[21] Martin (fn. 15) comes to a similar conclusion in her analysis of the bargaining dynamics associated with EMU at Maastricht (p. 134).

[22] To identify the lowest common denominator in a bargaining situation, one must be able to establish the reservation prices of the negotiating parties. For an outside observer, this is no mean feat, since each party has an interest in concealing its position in order to increase the probability that the final agreement will represent an improvement upon its reservation price. However, a student of intergovernmental institutionalism must have a precise and accurate estimate of reservation prices; otherwise, it becomes very difficult to distinguish cases in which exclusionary threats are both operative and effective from those that represent simple, albeit well-concealed, lowest-common-denominator outcomes. The increased latitude of member states to opt out will further complicate the task of identifying reservation prices. My thanks to Celeste Wallander for suggesting this point and encouraging me to develop it.

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tricht treaty, it will go the way of neofunctionalism, which was consigned to obsolescence by one of its creators because its contextual prerequisites had disappeared.[23]

The shortcomings of analytical models based on the SEA grow even more worrisome in light of postsummit developments. At Maastricht the EC heads of government agreed on a treaty text after long, difficult negotiations. But the grand bargain began to unravel shortly thereafter, during the intense and wide-ranging domestic political debates over ratification. Throughout months of parliamentary discussions and public referenda, citizens became engaged collectively as an attentive, responsive, if not always well-informed public. This dramatic change at the level of mass politics created incentives for mainstream and fringe elites to mobilize opinion both against Maastricht and, occasionally, against the Community itself. Not only did the TEU explode on to the domestic agendas of the member countries, but the reverberations influenced the path of integration itself. Most notably, tiny Denmark used the failed referendum in June 1992 as leverage to modify the terms of the original Maastricht bargain, which had been forged according to the preferences of two of the big three.

Why did Maastricht, unlike the SEA, ignite a domestic politicization of the EC that threw ratification into serious doubt, thereby altering the pace and direction of the integration process? Journalistic accounts focus on either the failure of member governments to sell Maastricht to their peoples or the tactical blunders of the Commission.[24] The scholarly literature is silent, largely on empirical grounds: apart from the Danish case, ratification of the SEA was uncontroversial and thus warrants no attention.[25] Theoretical assumptions are at work here as well. Following the lead of past EC studies, scholars depict an integration process that unfolds exclusively at the elite level. Once elites reach a grand bargain, ratification is perfunctory, automatic, and therefore

[23] See Ernst Haas, *The Obsolescence of Regional Integration Theory* (Berkeley: Institute of International Studies, University of California, 1975).

[24] The most celebrated case involves remarks attributed to Delors in early 1992; he prophesied reduced influence for small members in a widened and deepened Community. Danish opponents of the TEU used this story to strengthen their case in the June referendum campaign. This incident is all the more remarkable because the Commission, acting on personal instructions from Delors, had created an internal working group in January to prevent self-inflicted wounds of this nature. By way of a negative example, the episode underscores the importance of Commission leadership to the integration process, a point stressed in convincing fashion by Ludlow (fn. 1). It also points up the difficulty of incorporating leadership quality into models of the integration process, since it varies not only *across* Commission presidencies but also *within* any given Commission. How else to explain the rapid descent of the Delors Commission from far-sighted brilliance to astonishing, short-sighted ineptitude?

[25] The Danish parliament rejected the SEA in 1986; a popular referendum overruled its decision. These roles reversed in 1992, with near fatal consequences for the TEU.

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uninteresting. Whereas one might not wish to quarrel with the authors' empirical assessment of the link between domestic politics and ratification of the SEA, one must question their treatment of this variable as a constant with a value at or near zero. As a result, the theoretical frameworks reviewed here provide few insights into the Maastricht episode, where this dog barked in the night.[26]

The neglect of ratification is especially eye-catching, for three reasons. First, it ignores the growing literature on two-level bargaining, which treats ratification as an integral part of international negotiations.[27] Second, it is a puzzling omission in light of the theoretical significance accorded to domestic politics by these authors.[28] And finally, it is indicative of a general weakness in Community studies, namely, the implicit assumption that each droplet relinquished by member governments to the Brussels sovereignty pool is, from the standpoint of domestic political actors and the general public, comparable in value or weight to the previous droplet or to the one following. In key areas of economic and foreign policy Maastricht breached the sovereignty cores of the member governments and raised profound doubts about the EC's legitimacy among previously indifferent, even oblivious publics.[29] The SEA was apparently the last uncontroversial integrative initiative in terms of public attitudes. The current literature offers few clues as to why, however.

The Methodology of Community Studies

Analyses of EC grand bargains are part of a venerable tradition, and more will surely be advanced as the dust settles in the post-Maastricht period. Yet the costs associated with this approach can be considerable,

[26] To their credit, Sandholtz and Zysman (fn. 7) argue that "1992 has so far been a project of elites. . . . [The] elites are unlikely to maintain that monopoly" (p. 127).

[27] See Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (Summer 1988); and Peter Evans, Harold Jacobson, and Robert Putnam, eds., *Double-Edged Diplomacy: International Bargaining and Domestic Politics* (Berkeley: University of California Press, 1993).

[28] Martin (fn. 15) shows that ratification requirements associated with the TEU endowed domestic actors with the opportunity to influence bargaining over treaty revisions. For a more general discussion of international relations, domestic politics, and ratification, see Helen Milner, "International Theories of Cooperation among Nations: Strengths and Weaknesses," *World Politics* 44 (April 1992), 492–93.

[29] The subject of "social legitimacy" is explored in depth by Weiler (fn. 3). On citizen support for European integration, see Richard Eichenberg and Russell Dalton, "Europeans and the European Community: The Dynamics of Public Support for European Integration," *International Organization* 47 (Autumn 1993). The authors present a methodologically sophisticated quantitative analysis of public attitudes toward the EC and conclude that the link between citizen consensus and supranational bargains will grow increasingly stronger.

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as the previous section suggests. To cope with the tendency of big bang studies to generate theoretical frameworks that are overly rooted in time and place, scholars must attend to the methodological underpinnings of their research, specifically, by resorting to systematic, theoretically grounded comparisons whenever possible. This will allow them to expand the robustness and reach of the findings and in the process push general theoretical concerns further into the foreground.

The literature on the comparative method needs no introduction,[30] yet its relevance surely does. In the field of Community studies, isolated case studies of grand bargains, policies, and institutions have been the rule rather than the exception. The EC/EU is unique, which naturally poses a few problems for the scholar with comparative intentions.

One option is to compare by conceptual reference point. Sbragia, for example, recommends federal theory as an appropriate benchmark.[31] She acknowledges that the EC is not a constitutional federal entity but points out that in certain arenas it contains treaty-based federal arrangements. Thus, political processes and outcomes in federal polities and the Community are broadly comparable. To demonstrate the broader point, Sbragia notes that in German cooperative federalism, power and authority relations between the national and state governments are not necessarily zero-sum.[32] This observation opens up an oft neglected perspective on integration and Community politics.[33] Conventional approaches based on neofunctionalism or intergovernmentalism tend to assume that the gains of supranational actors come at the expense of the member states; indeed, the SEA literature occasionally falls into this trap. Yet in EC policy areas like the structural funds, positive-sum games between the Commission and the member states are quite common.[34] Federal theory can provide a framework for evaluating these dynamics.

[30] See inter alia Arend Lijphart, "Comparative Politics and the Comparative Method," *American Political Science Review* 65 (September 1971); Adam Przeworski and Henry Teune, *The Logic of Comparative Social Inquiry* (New York: Wiley, 1970); and Charles Ragin, *The Comparative Method* (Berkeley: University of California Press, 1987).

[31] Sbragia (fn. 1). Back in the 1980s William Wallace endorsed "the federal analogy" as a means of understanding Community political interactions, but he declined to elaborate. Wallace, "Less Than a Federation, More Than a Regime: The Community as a Political System," in Wallace, Wallace, and Webb (fn. 18), 406–10.

[32] See the literature on Germany's "joint task" legislation of the late 1960s, which introduced cooperative federal policy-making arrangements in the fields of regional and agricultural policy, as well as in other areas. Fritz Scharpf et al., *Politikverflechtung* (Kronberg/Ts., FRG: Scriptor Verlag GmbH, 1976).

[33] The first scholar to investigate the parallels between German federalism and the EC was Fritz Scharpf, "The Joint-Decision Trap: Lessons from German Federalism and European Integration," *Public Administration* 66 (Autumn 1988).

[34] The structural funds consist of the European Social Fund, the guidance section of the Common

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More concretely, the EC/EU can be compared to itself, either at different points in time or cross-sectionally (for example, across policy areas or, post-Maastricht, across the three pillars). In most instances the basic design would conform to a "most similar systems" format, in which the researcher controls for as many background variables as possible via case selection, while engineering variation in a limited number of explanatory variables. This can be achieved through cross-sectional comparisons at a single point in time; the dependent variable (for example, policy outputs) varies across cases, while the background variables (for example, macrolevel institutional arrangements, geopolitical and international economic environment) are held constant. "Most different systems" comparisons are also feasible, although here the relevant comparison is likely to be temporal: to explain the persistence of a Community characteristic under variable internal and external conditions.[35]

Needless to say, the inherent limitations of the comparative method still hold. For example, in the construction of a most-similar-systems design, the researcher must contend with several thorny problems: How can one manage the problem of too many variables and too few cases? How truly similar are the cases selected for comparison? These constraints, however, are manageable and have not prevented other subfields from generating a body of cumulative, theory-informed knowledge.[36] There is no reason to anticipate intractable problems in Community studies. Furthermore, the limitations of the comparative method are far less problematic than those that invariably accompany the dominant approach in this subfield, the single-case study.

Authors must often forsake a fully developed comparison, especially, as is frequently the case in this literature, when theory building takes a back seat to presenting the facts. In these circumstances counterfactual analysis should be employed openly and systematically. Counterfactu-

Agricultural Program, the European Regional Development Fund, and (as of Maastricht) the cohesion fund. In combination, they seek to improve the spatial distribution of investment and social capital within the Community. See Marks (fn. 10).

[35] For a discussion of "most similar systems" and "most different systems" research designs, see Przeworski and Teune (fn. 30).

[36] Much of the best literature in comparative politics and comparative political economy makes effective use of comparisons employing two to six cases. Examples include (but are not limited to) Hugh Heclo, *Modern Social Politics in Britain and Sweden* (New Haven: Yale University Press, 1974); Sidney Tarrow, *Between Center and Periphery* (New Haven: Yale University Press, 1977); Peter Hall, *Governing the Economy* (New York: Oxford University Press, 1986); and Peter Katzenstein, *Small States in World Markets* (Ithaca, N.Y.: Cornell University Press, 1985). The comparative case method also plays a prominent role in leading studies in international relations; see, e.g., Jack Snyder, *Myths of Empire* (Ithaca, N.Y.: Cornell University Press, 1991).

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als, or causal arguments about events that did not occur, are useful in small N research designs, with N = 1 as the limiting case.[37] Via a mental experiment the researcher manipulates the value of an independent variable that otherwise cannot vary in the case study. In effect, one constructs an imaginary case in which the variable in question takes on a different value and, by means of a mental comparison, tests its impact not by gauging frequencies of association (as in statistical studies and N > 1 comparisons) but by argumentation about what would have happened. Credible counterfactuals invoke "general principles, theories, laws, or regularities distinct from the hypothesis being tested . . . and [draw] on knowledge of historical facts relevant to a counterfactual scenario."[38]

A few examples will drive home these elementary methodological points. A comparison of the bargaining processes and outcomes associated with the Treaty of Rome in the late 1950s and the Single European Act in the mid-1980s could provide a more rigorous test of the importance of supranational institutions to European integration than is typically found in the literature.[39] The Commission, the EP, and the ECJ did not yet exist in the first case; and they were not only present but also quite active in the second. If supranational institutions serve largely to reduce transaction costs for national negotiators, then differences between the two cases will be manifest primarily in the speed and ease with which agreements are reached. If, however, supranational institutions not only reduce transaction costs but also inject their own preferences into the bargaining process and structure the order in which issues are decided by the member states, then differences between the cases should be apparent in the outcomes as well.

A counterfactual analysis could shed light on the ultimate significance to the SEA of Thatcher's 1979 election victory. Without excep-

[37] For a balanced discussion of the strengths and weaknesses of this approach, as well as concrete methodological guidelines for constructing a valid (or "cotenable") counterfactual claim, see James D. Fearon, "Counterfactuals and Hypothesis Testing in Political Science," *World Politics* 43 (January 1991).

[38] Ibid., 176.

[39] The impact of institutions is usually assumed rather than tested empirically. Sandholtz and Zysman (fn. 7) contend that bargaining dynamics in the 1980s were not at all similar to those in the 1950s precisely because the supranational institutions created by the elite bargains of the 1950s helped to fashion agreements in the 1980s. Moravcsik (fn. 6) counters that the predominantly intergovernmental character of bargaining in both periods overshadows this difference. Neither article tests the assertion in an explicit paired comparison. Of course, a comparison of the Rome treaty and the SEA cannot completely isolate the putative impact of institutions; there remain important differences between the two cases, such as the volume of international capital flows. The careful researcher is unlikely to be overwhelmed by such complications, however. To reiterate a theme of the preceding paragraphs, methodological rigor is a relative term, and the goal should be to increase it wherever possible.

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tion, the literature identifies her accession to power, along with the French Socialists' macroeconomic conversion in 1983, as a necessary precondition for the convergence of national preferences that eventually led to the single market initiative. It is conceivable, however, that Thatcher's arrival on the scene was less than decisive, since as early as 1976 the Labour government had already begun an implicit conversion to monetarism, budgetary restraint, and other elements of the neoliberal agenda.[40]

The counterfactual might take the following form: what if Labour prime minister Callaghan had listened to his advisers and called an early general election in the fall of 1978, thereby beating Margaret Thatcher and the Tories, as polls were predicting at the time? The answer would allow us to address several related questions. What difference did Thatcher per se make? In other words, was the ultimate convergence of member state preferences around the SEA package contingent upon a change in the partisan composition of government in Britain, as the literature suggests? Or did convergence rest on the effects of generic internal and external economic constraints that would have imposed themselves on the government of the day in Britain, whatever its partisan composition? These are hardly trivial matters; a "structural" account of Britain's contribution to the SEA is more consistent with the literature's assessment of Mitterrand's U-turn in 1983 than is the partisan explanation.

Looking to the Future: Alternative Perspectives on the EC/EU

Whatever its advantages, a more self-conscious methodology of Community studies will not address two deep-seated flaws in the dominant research agenda, the first of which is the staying power of neofunctionalism and intergovernmentalism. Typically, these frameworks serve as twin theoretical lighthouses illuminating diametrically opposed shoals of faulty premises and poor analytical capabilities. When employed in this manner, they are little more than pale reflections of their former selves, cast almost exclusively in terms of the relative importance of national versus supranational actors. As exemplified in the debates over the SEA, these theoretical parameters produce narrow puzzles and lead to conclusions that differ only at the margins and that lack empirical and theoretical reach—notwithstanding protests by the authors.

[40] See Peter Riddell, *The Thatcher Government* (London: Martin Robertson, 1983).

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The second flaw is the implicit assumption that comprehensive explanations of grand bargains exhaust the EC/EU phenomenon. In this view, both politics as usual and future grand bargains are extrapolations of the previous bargain. Understand and explain the latter, and the essence of the former is captured along the way. The empirical evidence suggests otherwise. Indeed, as I argue in an earlier section, one would be hard pressed to find a linear relationship between the TEU and the SEA. One source of this poor fit is external; changes in the international environment introduce new subjects of discussion and changes in bargaining dynamics. The other source is internal to the Community. Specifically, the adoption of new decision-making procedures—whether formal or informal, whether the product of previous grand bargains or not—can alter the way in which member governments strike deals in the future. This renders suspect any assumption that we can infer future processes and outcomes directly from past ones.[41]

The assumed relationship between workaday Community politics and grand bargains is challenged by several authors, concentrated principally in the Sbragia volume.[42] Peters argues, for example, that "governance" within the Community is supplied on two levels: the high politics of European summitry, based in the European Council and Council of Ministers, and a workaday "bureaucratic politics" located in dense networks that link the Commission to national ministries and interest groups. The implications of governance by bureaucratic politics for the integration process, he argues, are potentially more far-reaching than the episodic big bangs detonated by the heads of government, since the depoliticized nature of the former allows for "a gradual accretion of common policies and standards."[43]

Marks arrives at a similar conclusion in his study of the structural

[41] For example, the shift to qualified majority voting in the 1980s, which predated the SEA, changed the dynamics of intergovernmental coalition building and negotiation within the Council of Ministers. It also prompted an ongoing transformation of interest-group lobbying strategies, which in turn will influence Council bargaining and perhaps the integration process itself. Since interest associations can no longer count on the national veto in the Council to protect their interests, they have begun to seek out allies among their foreign counterparts. The intent of these transnational group alliances is to encourage the building of qualified majorities in the Council that are compatible with their interests. See Jeffrey Anderson, "German Industry and the European Community in the 1990s," in Volker Berghahn and Jeffrey Anderson, eds., *European Strategies of German Big Business in the Twentieth Century* (Oxford: Berg, forthcoming). My thanks to Lisa Martin for encouraging me to develop the broader point contained in this paragraph.

[42] See also John Goodman, "Do All Roads Lead to Brussels?" in Norman Ornstein and Mark Perlman, eds., *Political Power and Social Change* (Washington, D.C.: American Enterprise Institute, 1991).

[43] Peters (fn. 1), 76.

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funds; the narrower, policy-based bargains in this area cannot be derived from the great leap forward embodied in the SEA.[44] To explain recent developments, he employs two distinct interpretive models: a horizontal, statecentric framework to account for the European Council's 1988 decision to double the structural funds by 1992, and a multilevel perspective to explain changes in vertical power relations and political dynamics flowing from that decision. Marks argues that the 1988 decision represents a case of "forced spillover" from the SEA. Poorer member states, which were positioned to block economic liberalization, received a side payment from the wealthier members to offset the economic and political risks associated with implementation of the single market initiative. However, Marks identifies a new and expanding category of interactions centered around the structural funds, involving unmediated links between an increasingly capable Commission and increasingly mobilized subnational actors, which are not a function of horizontal spillover from the SEA. Specifically, he points to "an emerging political disorder . . . that is multi-layered, constitutionally open-ended, and programmatically diverse."[45]

Clearly, a rehabilitation of either neofunctionalism and/or intergovernmentalism is out of the question; they present irremediably flawed models of the integration process and are incapable of capturing the new, fluid political dynamics identified by Marks and others. In effect, Community studies require new perspectives on both old subjects (for example, big bangs) and new phenomena like the emerging political disorder in the EC/EU.[46] I see at least four concrete options, some increasingly well represented in the literature, for expanding the current research agenda in Community studies. Readers should judge each one according to whether it possesses adequate analytical reach, and whether it can generate new questions and avenues for future research.

One possibility is to employ general theories of international cooperation, bargaining, and comparative political economy to unveil the dynamics of grand bargaining.[47] Sandholtz and Zysman, for example,

[44] Marks (fn. 10).

[45] Ibid., 221. In his study of EC social policy, Lange (fn. 5) identifies similar dynamics, which are leading to "a neopluralist Europe [characterized by] temporary coalitions of interests and governments" (p. 256). On EC neopluralism, see Philippe Schmitter and Wolfgang Streeck, "Organized Interests and the Europe of 1992," in Ornstein and Perlman (fn. 42), 46–67.

[46] In their excellent introduction, Keohane and Hoffmann venture a similar conclusion and list several alternatives that constitute the core of what follows here. Unfortunately, none of their fellow authors takes up the challenge. Robert Keohane and Stanley Hoffmann, "Institutional Change in Europe in the 1980s," in Keohane and Hoffmann, 9.

[47] Moravcsik (fn. 17) argues that "the most fundamental task facing a theoretical account of European integration is to explain these bargains" (p. 473). He proposes to study the EC/EU as an inter-

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explain the SEA in terms of a "challenge-response" framework that focuses on elite bargaining.[48] They contend that a shift in the international distribution of economic power "triggered" 1992, insofar as it presented European elites with challenges and ultimately choices that, filtered through major transformations of domestic politics within key Community members, led to the SEA.

In their explanation of the origins of Project 1992 Sandholtz and Zysman have been justly faulted for placing too much emphasis on the role of supranational actors, specifically the Delors Commission. They are better able to withstand criticism that theirs is a neofunctional argument,[49] or that the temporal gap between the international "trigger" and the EC's response is too large.[50] Their efforts to locate the European integration process within a dynamic international context draws on an authoritative literature in comparative political economy.[51] Their basic approach remains relevant to the study of European integration: as many authors in these volumes point out, Maastricht and the collapse of the Berlin Wall are inextricably linked. "Challenge-response" also contains the seeds of a potentially fruitful research agenda. For example, why did the transformation of the international economy take so long to call forth the SEA, whereas the collapse of communism, which impinged directly on security alliance structures and only indirectly on international economic relations, elicited an EC response in less than two years?

Theories of strategic choice in collective situations have been employed to good effect in Community studies and offer researchers a second option. Garrett explains the SEA by employing theories of spa-

national regime for policy coordination. To explain and predict the integrative bargains on which the regime rests, he employs a sequential theoretical framework based on national preference formation and interstate strategic interaction. His framework generates plausible, often insightful post hoc explanations, but its complexity and huge informational requirements render it less useful for predicting the future course of integration.

[48] Sandholtz and Zysman (fn. 7).

[49] See, for example, Moravcsik (fn. 6); and Anne-Marie Burley and Walter Mattli, "Europe before the Court: A Political Theory of Legal Integration," *International Organization* 47 (Winter 1993), 52n. The role that Sandholtz and Zysman (fn. 7) attribute to the international economy as "trigger" is not consistent with classical neofunctionalist dynamics.

[50] For example, Keohane and Hoffmann (fn. 46) argue, "[This] hypothesis indeed would have predicted the strengthening of European institutions, but that revival could have occurred at any time after 1973" (p. 23). Sandholtz and Zysman clearly state that the international trigger was necessary, but insufficient in and of itself to elicit the SEA response.

[51] Classic examples of "challenge-response" studies in comparative political economy include Peter Katzenstein, ed., *Between Power and Plenty* (Madison: University of Wisconsin Press, 1978); Peter Gourevitch, *Politics in Hard Times* (Ithaca, N.Y.: Cornell University Press, 1986); Peter Gourevitch et al., *Unions and Economic Crisis* (London: George Allen and Unwin, 1984); and Peter Lange, George Ross, and Mauricio Vannicelli, *Unions, Change, and Crisis* (London: George Allen and Unwin, 1982).

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tial competition and bargaining, emphasizing in particular the effects of incomplete information and incomplete contracting.[52] The advantages of this approach over its mainstream competitors, he argues, reside (1) in its ability to specify why members chose the SEA over other packages promising Pareto improvements, and (2) in its explicit incorporation of a supranational institution in the explanation of the outcome, namely, the capacity of the European Court of Justice to monitor and enforce the agreement. Drawing on a similar methodology and analytical assumptions, Garrett and Weingast explain the SEA in terms of the interaction of ideas and institutions, which generate "constructed focal points" that are essential to the content of EC bargaining outcomes.[53] Tsebelis has devised a formal model of the post-SEA legislative process and demonstrates, contrary to the prevailing literature on the subject, that under conditions which are by no means rare the European Parliament can exercise power as a "conditional agenda-setter."[54]

This approach, characterized as it is by rigor and analytical parsimony (properties often lacking in analyses of the EC), justifies further work in this vein. More important, the adoption of a novel theoretical perspective leads in each case to new puzzles, new research agendas, and new dimensions to our understanding of Community politics that are more easily reconciled with the broader fields of international relations and comparative politics. Garrett and Weingast, for example, begin with the inability of game theoretical frameworks to handle multiple equilibria and incomplete contracting; in exploring this new puzzle, they turn to the explanatory power of ideas and institutions. The article by Tsebelis suggests its own research agenda; for example, under what conditions can other supranational institutions—specifically, the Commission—act as conditional agenda setters, and what are the overall implications of this phenomenon for the future of integration?

Approaches to EC/EU politics based on theories of strategic choice are not without their problems. Sandholtz and Zysman identify three: (1) the difficulty of specifying preference functions in advance with sufficient accuracy, which often renders prediction, as opposed to post

[52] Geoffrey Garrett, "International Cooperation and Institutional Choice: The European Community's Internal Market," *International Organization* 46 (Spring 1992). For a critique, see Burley and Mattli (fn. 49), 50–51.

[53] Geoffrey Garrett and Barry Weingast, "Ideas, Interests, and Institutions: Constructing the European Community's Internal Market," in Judith Goldstein and Robert Keohane, eds., *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change* (Ithaca, N.Y.: Cornell University Press, 1993).

[54] George Tsebelis, "The Power of the European Parliament as a Conditional Agenda Setter," *American Political Science Review* 88 (March 1994).

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hoc explanation, impossible; (2) the inability to accommodate changes in preferences that occur during bargaining; and (3) a limited capacity to capture the complex, multilayered nature of Community politics with models of a game played in a single arena.[55] The gravity of these problems should not be underestimated. Nevertheless, like any methodological approach, theories of strategic choice may not be applicable to every situation. The approach can illuminate a great deal in situations where preferences are reasonably stable and the institutional rules are clear. It would presumably encounter serious difficulties with the multilevel, fluid interactions centered around the EU's structural funds and social policies, in which formal and informal rules are evolving and preferences are in flux, particularly at the subnational level.[56]

Policy network analysis represents another promising line of inquiry. Clustered around discrete areas of governmental activity, networks are composed of public and private organizations linked by resource dependencies. Dependency exerts a strong influence on behavior: organizations seek to achieve their goals and to manage dependencies by exchanging resources like authority, money, and information with other members of the network.[57] A network rests upon a distinctive structure of dependency, which is the product of the distribution of resources among network members and of the rules, both formal and informal, that govern exchange. Networks—and by implication the behavior of their participants—are subject to change as rules change or as the distribution of resources shifts.

Keohane and Hoffmann liken the EC to "a network involving the pooling of sovereignty," but they conclude that the concept is more a metaphor than a theory and decline to pursue it.[58] Like many metaphors employed in the social sciences, however, this particular one does indeed illuminate.[59] For example, network analysis would allow us to approach integration from a different perspective. Are "big bangs" linked consistently to prior increases in the mutual resource dependence of member governments? Conversely, are integrative doldrums, such as occurred during the 1970s, the product of decreases in mutual resource dependence among members? These questions focus squarely

[55] Sandholtz and Zysman (fn. 7), 107n.

[56] As with any analytical framework, there is a skill in knowing when to use it. Readers will find a vigorous yet nuanced defense of the approach in George Tsebelis, *Nested Games* (Berkeley: University of California Press, 1990), chap. 1.

[57] See R. A. W. Rhodes, *Beyond Westminster and Whitehall: The Subcentral Governments of Britain* (London: Unwin Hyman, 1988); and idem, *The National World of Local Government* (London: George Allen and Unwin, 1986).

[58] Keohane and Hoffmann (fn. 46), 10.

[59] See Putnam (fn. 27), 435.

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on the process by which resource dependencies are managed by EC/EU members, either individually or collectively, and on the resulting implications for the degree of sovereignty pooling. Formulating questions about integration in this manner leads naturally to a search for the sources of change in resource dependence; obvious candidates are the international system and domestic political factors. It also raises the question of whether certain types of mutual resource dependencies are more closely associated with forward or retrograde movements in the integration process.

Viewing the EC/EU as comprising overlapping policy networks would enable researchers to forge conceptual links between the supranational level, where horizontal networks dominated by the member governments deal with the high politics of integration, and the numerous vertical networks that bring together supranational, national, and subnational actors in narrower EC policy sectors.[60] Grand integrative bargains produce, either directly or indirectly, changes in the rules of the game and presumably in material resource dependencies. The empirical task is to determine whether these changes in turn generate shifts in the structure of vertical policy networks or even the creation of new ones. The answers will help us to understand the precise mechanisms that link workaday politics in specific Community policy areas to episodic grand bargains, and thus to identify those elements of the former that cannot be derived from the latter.

The reach of the network approach extends down to the level of domestic politics in the member states. Through its rule-making and policy-making capabilities, the EU is in a position to restructure national networks—and therefore political processes and outcomes—by altering their internal distribution of resources and thus the level of interdependence among members.[61] Subnational actors may experience a net increase or decrease in their resource dependence on the national

[60] See, for example, Marks (fn. 10). See also Liesbet Hooghe, ed., *EU Cohesion Policy and National Networks* (Oxford: Oxford University Press, forthcoming).

[61] In a recent article, Moravcsik advances a similar argument based on a principal-agent model of domestic politics. See Andrew Moravcsik, "Why the European Community Strengthens the State: Domestic Politics and International Cooperation" (Paper presented at the annual meeting of the American Political Science Association, New York, September 1994). This paper is part of an emerging debate over whether the EC expands or restricts the autonomy of the member governments; see also Gary Marks, Liesbet Hooghe, and Kermit Blank, "Multilevel Politics and Regional Mobilization in the European Union," and Mitchell Smith, "From the Third Image to the Second: The European Union and British Employment Policy" (Papers presented at the annual meeting of the American Political Science Association, New York, September 1994). Regrettably, the debate is in danger of being miscast. Those who see state autonomy expanding stress the capacity of international negotiations and institutions to redistribute domestic political resources in favor of national executives vis-à-vis interest groups. Those who see mainly constraints on state autonomy focus on shifts in the distribution

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government. When their reliance on national government grows as a result of EU initiatives, their ability to formulate and pursue independent objectives will probably decrease, and the national government's role as gatekeeper in Brussels will go unchallenged. However, if the EU acts, willingly or otherwise, to diminish the resource dependence of subnational actors on central government, it may enable groups to redefine their exchange relationships within the network. In short, the Union has the capacity to empower subnational actors, even if to date there is little empirical evidence of successful empowerment.[62]

As the fourth and final option, Community politics and integration can be studied from the vantage point of the new institutionalism. In comparison with the other approaches discussed here, institutionalism is more a collection of questions and research foci than a fully articulated analytical framework. In fact, in its rational choice incarnation, the approach is often scarcely distinguishable from applications of strategic choice theories.[63] Its central research question examines the determinants of institutional change and innovation. The new institutionalism locates the sources of disruption to existing institutional equilibria not just in exogenous factors but also in the incentives created by institutions themselves; in certain institutional contexts, actors may be encouraged to adjust their preferences or to develop strategies that will render innovation more (or less) likely.

Thus, the approach links institutional change and continuity to the manner in which over time these very same institutions shape the preferences of actors, define and limit their choices, and encourage them to choose among alternative strategies. Employing concepts like "path dependence," "lock-in," and "feedback," the approach speaks to one of the methodological criticisms raised earlier by underscoring the need to observe an institution over time, rather than in the context of the single event, however momentous.

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of competences and authority between the national and the supranational levels. Clearly, the two conclusions are hardly incompatible. States may in fact be gaining autonomy from certain domestic groups while simultaneously losing autonomy to the EU. The implications of this seeming paradox are worth exploring.

[62] For empirical evidence drawn from one of the structural funds, see Jeffrey Anderson, "Skeptical Reflections on a 'Europe of Regions': Britain, Germany, and the European Regional Development Fund," *Journal of Public Policy* 10 (October–December 1990).

[63] The new institutionalism embraces two schools—historical and rational choice—that share much the same research agenda. For an overview of the two, as well as contributions written in the historical vein, see Sven Steinmo, Kathleen Thelen, and Frank Longstreth, eds., *Structuring Politics: Historical Institutionalism in Comparative Analysis* (New York: Cambridge University Press, 1992). A work representative of the rational choice tradition is Douglass North, *Institutions, Institutional Change, and Economic Performance* (New York: Cambridge University Press, 1990).

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With passage of the SEA, after an intellectual hiatus of almost ten years, scholars rediscovered the EC's formal institutions.[64] At some point, each of the four volumes explores the changing relationships among Community and national actors in the context of a significant (and in many cases ongoing) transformation of the rules of the game. That said, their institutionalist aims are generally too subtle to frame adequately the preceding research questions. Even Cameron, who advances an institutionalist argument centering on the European Council, does not explore the full theoretical implications of his analysis.[65]

The institutionalist approach is clearly relevant to the study of the EC/EU. Witness the skillful application of its research agenda to the Community's legal system[66] and to monetary cooperation,[67] as well as to the recent emergence of "multi-level governance structures."[68] Indeed, the approach is tailor-made for the diversity of institutional frameworks generated by the TEU; where a single pillar of cooperation once stood, there now stand three. "Path dependence" may suggest new insights into the capacity of past grand bargains to alter the institutional framework within which future grand bargains emerge, thereby rendering straightforward theoretical extrapolations from one big bang to the next very risky.

To this point, I have suggested how various theoretical alternatives to the straitjacket of neofunctionalism versus intergovernmentalism can help us gain a better understanding of the customary and/or novel aspects of the EC/EU. In this instance, however, the European Union can serve as a laboratory for generic research on the new institutionalism. It is not terribly difficult to collect conclusive evidence of the effects of institutional arrangements on the *strategies* of actors and to demonstrate how and why patterns of strategic change and continuity are consistent with an institutionalist perspective. Far more challeng-

[64] Writing in the early 1980s, Wallace, Wallace, and Webb (fn. 18) advocated a policy approach to the Community that directed attention away from the Community's formal institutions (pp. 57–58).

[65] Cameron (fn. 6). Sbragia's discussion (fn. 1) of the Community as a treaty-based organization constitutes an exception. Yet the fact remains that only one of the thirty-seven contibutors to these volumes focuses on a theory-informed empirical puzzle about the relationship between EC international institutions and domestic politics. See the excellent chapter by John Woolley, "Policy Credibility and European Monetary Institutions," in Sbragia.

[66] On "constitutionalization" in the EC, see Mancini (fn. 1); Shapiro (fn. 1); Burley and Mattli (fn. 49); and Joseph Weiler, "The Transformation of Europe," *Yale Law Journal* 100 (June 1991).

[67] Martin (fn. 15).

[68] This subject is one of several addressed by the Consortium for 1992, led by Peter Lange and Gary Marks; an edited volume is expected sometime in 1995. See also Paul Pierson and Stephan Leibfried, eds., *Fragmented Social Policy: The EC Social Dimension in Comparative Perspective* (Washington, D.C.: Brookings Institution, forthcoming).

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ing, however, is to show when and how institutions affect the *interests* of actors.[69] The fact of Community membership presents an opportunity to construct empirical tests of this proposition.[70]

We are confident that membership matters. Its effects on national policy processes and to a lesser extent on public and private actors have received careful attention in the literature.[71] From an institutionalist standpoint, membership ought to matter; whether national policymakers, interest groups, and even individual citizens are inside or outside the EC/EU's web of institutions should influence the way they interpret problems and solutions, as well as conceivably the way they formulate interests.

The immediate research task would be to generate institutionalist hypotheses about the effects of Community membership on the interests of key domestic political actors (for example, national ministries, political parties, trade unions, business associations) and to construct empirical tests employing before and after comparisons. The cross-national dimension of this puzzle is intriguing; comparable actors, such as trade unions, are situated in domestic institutional contexts that vary dramatically across the Community, but upon accession to the EC they enter a reasonably uniform supranational institutional environment.[72] The presence of domestic institutional variation embedded within supranational institutional uniformity allows us to investigate, through

[69] This is a central claim of historical institutionalists; see fn. 63. The authors in Keohane, Nye, and Hoffmann (fn. 20) discuss numerous examples in which the post-1989 foreign economic and security strategies of the U.S., the major Western European powers, and the Soviet Union flowed logically from change and continuity in international institutions generated by the end of the cold war. Yet their attempts to link institutions to the formation of national preferences rely on a less substantial body of empirical evidence. For example, Goodman and I (fn. 20) argue that Germany's commitments to various international organizations are "embedded in the very definition of state interests . . . ; they [are] ingrained, even assumed" (p. 60). In effect, we infer this conclusion from interview data and an assessment of postunification state behavior. To document it conclusively, we would have to show that West German interests prior to membership in the EC or NATO were measurably different from what they are today, a task we do not explicitly undertake.

[70] My discussion focuses on the effects of membership versus nonmembership. Similar questions could be generated about the impact of qualitative changes in membership, such as those created by big bangs in integration, or of participation versus nonparticipation in certain Community policy regimes. See Wayne Sandholtz, "Choosing Union: Monetary Politics and Maastricht," *International Organization* 47 (Winter 1993); and David Cameron, "British Exit, German Voice, French Loyalty: Defection, Domination, and Cooperation in the 1992–93 ERM Crisis" (Paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 1993).

[71] The best treatment on both counts is Simon Bulmer and William Paterson, *The Federal Republic of Germany and the European Community* (London: Allen and Unwin, 1987). See also Stephen George, *An Awkward Partner: Britain in the European Community* (New York: Oxford University Press, 1990); and Stephen George, ed., *Britain and the European Community: The Politics of Semi-Detachment* (New York: Oxford University Press, 1992).

[72] Naturally, the advent of a multitrack EU undermines the uniformity of the supranational institutional context.

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paired or N-way comparisons, whether the former is responsible for cross-national variation in the degree to which Community membership shapes actor interests.

The data requirements for such a project, while nontrivial, should not present intractable problems. We enjoy a wealth of empirically rich monographs on postwar politics in current EU member countries, and for once we have a decent number of cases with which to work. Since the formation of the EEC, there have been four accession waves: the UK, Denmark, and Ireland in 1973; Greece in 1981; Spain and Portugal in 1986; and (arguably) eastern Germany in 1991. By January 1995 three new members (Sweden, Austria, and Finland) had joined, and more are sure to follow.

Conclusions

Four decades of research on the European project have produced a literature that is remarkable for its depth, sophistication, and coherence. These four volumes contribute to this tradition. These same four decades have also revealed, inadvertently to be sure, that the search for a single theoretical framework to explain the totality of institutionalized European cooperation has become a quest for the Holy Grail. Orthodox approaches, despite valiant efforts at synthesis, have led to an intellectual cul de sac. Here, too, the four volumes share in and contribute to this tradition, though by no means equally.

By recommending several ways to expand the methodological, analytical, and substantive content of the dominant research agenda, I am not suggesting that we jettison the accumulated wisdom of neofunctionalism, neorealism, or their assorted hybrids and start anew. Nor do I mean to imply that scholars will find the elusive prize—a unified field theory of European integration—among the four options covered in the preceding section. Rather, I argue simply that the subfield needs new perspectives on both the old questions and the new ones. In fact, the greater the diversity of analytical approaches, the better, as long as each is soundly conceived and executed. Only in this manner can the mounting complexity of European cooperation be adequately captured and the self-imposed theoretical isolation of the subfield be reduced. Two successive big bangs, augmented by self-sustaining dynamics located in workaday channels of the Community, have ushered in a "new" European Union. Our theoretical horizons must expand accordingly.

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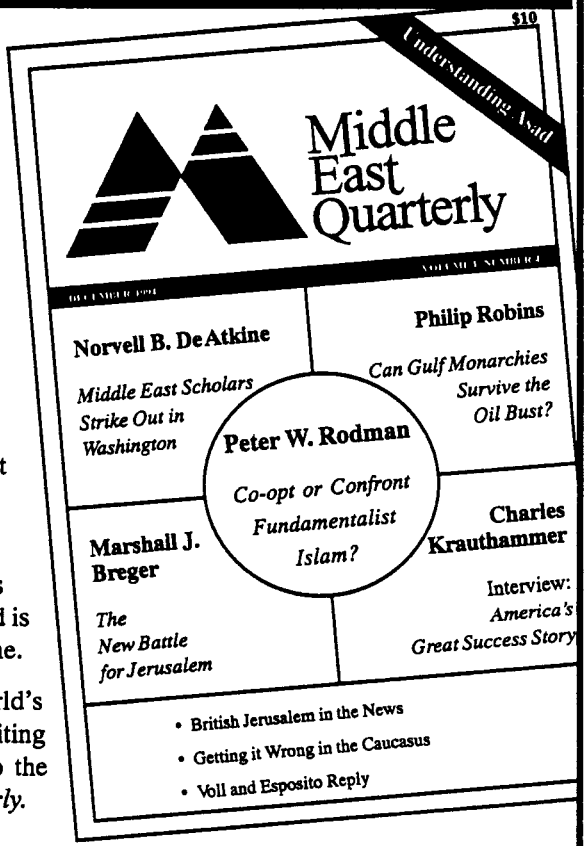

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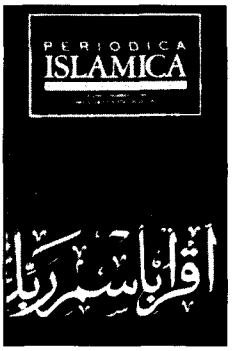

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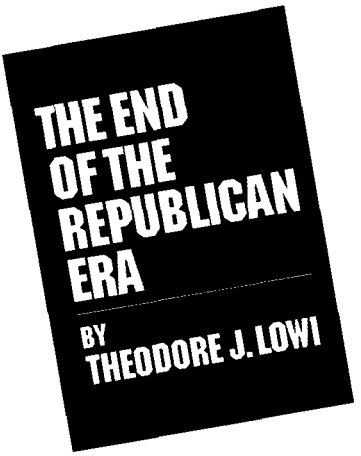

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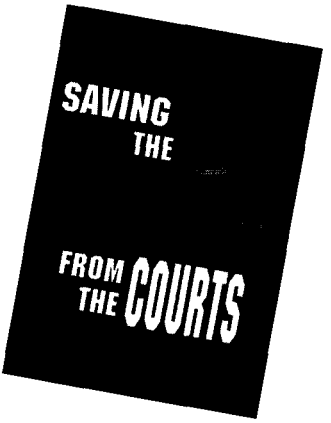

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